



THE INDEPENDENT

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'The last time I saw this man he was throwing grenades and shooting a pistol at us. Today he meets the Secretary of State.'



Michael Stone (right), the man the author last saw throwing grenades in 1988, and Sam McCrory, in H block number 8 of the Maze yesterday

Photograph: Brian Harris

The last time I saw Michael Stone, in 1988, he was throwing fragmentation grenades and firing a Browning automatic pistol at a crowd of us at a republican funeral in Belfast's Milltown cemetery.

Yesterday he stood in the corridor of H-block number 8 in the Maze prison, evidently a more thoughtful man, and reflected: "It's all about dialogue and that's what we've been pushing. If we can get through the current situation, anything's possible."

Today Stone will be one of four Ulster Defence Association prisoners sitting across the table from Mo Mowlam, the Secretary of State for Northern Ireland, to tell her of their concerns about the peace process. The unprecedented meeting could be vital in helping persuade loyalists to maintain their three-year ceasefire.

Yesterday the signs were unexpectedly good. The four UDA leaders due to meet Ms Mowlam sat in one of their recreation rooms in the wing which they describe as home, and, far from being warlike, sounded relaxed, open-minded and keen to talk.

"Home" is a gaily-painted wing festooned with UDA and loyalist signs, flags and mottoes. Men in casual clothes strolled along a central corridor, while others lounged in a kitchen and recreation room. From the background came the pounding of disco music. The cells are

homely: prisoners can buy and bring in televisions and hi-fis, and many have wallpapered their cells. "This is where these blokes live," Martin Mogg, the governor, commented.

There is clearly a balance of power in operation here, for no prison officers were on the wing, staying on the other side of a set of bars. But there were two security cameras trained along the corridor, and when the governor ushered reporters into the wing his presence was affably accepted.

The authorities offered to bring in the media because they, the loyalists and IRA prisoners all feel aggrieved at newspaper stories suggesting that prisoners serving sentences for terrorist-type offences live a lie of Riley in the Maze.

It is indeed a most peculiar prison, but the governor, the UDA and the IRA all wanted to set the record straight.

Asked if prisoners control the wings Mr Mogg answered: "Yes." They run their wings, he explained, while staff had control of everywhere else. Regular searches would be held, he said, and head counts were carried out twice a day.

He and the prisoners took exception to reports that drink and drugs are freely available, that sex takes place on visits, that prisoners have mobile phones, and that they can have cases of wine brought into the jail.

BY DAVID McKITTRICK

STRICT SECURITY

Strict security arrangements have been put in place for today's unprecedented visit to a prison where, just two weeks ago, an inmate was shot dead.

While an investigation into the shooting of "King Rat" Billy Wright is continuing, officials are taking no chances with the safety of Mo Mowlam.

The governor of the Maze, Martin Mogg, has said he can guarantee the safety of the Secretary of State, said a spokesman for the Northern Ireland office. "In addition she will be accompanied by her own team of protection officers from the RUC ... she will not be visiting any sensitive areas within the prison." Talks are expected to begin at around 11.30am in a private office and are expected to last for around an hour.

— Andrew Buncombe

a problem in these areas than many other prisons.

McCrory, heavily tattooed, explained life in the jail: "This prison works on a day to day system of cooperation with the management of the prison.

We can ask for something and a PO (prison officer) will tell you no. So we ask to see a government, and we'll sit down and we'll negotiate and we'll come to some sort of arrangement. You mightn't get what you want but you might get a piece of it.

"But you'll not do it without cooperation, you don't bully these people into it. We've been reading that staff feel under threat from us. Well, we've had three football matches with the prison staff. And afterwards we went into the gym and we had crisps and coke and sandwiches and we all had a good laugh with each other."

The approach is different in the IRA H-block, McCrory was clearly looking forward to meeting Ms Mowlam. "We've our own thoughts, she'll have her own thoughts, we'll get round a table," he said. "It's not a negotiation thing, it's a talk, a conversation and a listening exercise. From Sunday to now we have not stopped — meeting after meeting after meeting. We know the way forward is dialogue. We want a level playing field."

Wilson said that people complained about prisoners having access to computers, but said the two in the wing were needed for educational purposes: 50 republicans were doing Open University degrees, five working for master's

degree and two studying for PhDs.

"We live in the real world — there have to be headcounts, there have to be searches," he added. Another IRA leader, Harry Maguire, added: "What we have here is a degree of progressivism, pragmatism and realism." A third, Jim McVeigh, said: "Unpalatable as it may seem, we are prisoners of war. We act as an army, as a disciplined group of men, in a very disciplined and determined manner."

Wilson was very open on the question of IRA escapes: "Unfortunately, from our point of view, since the big escape of 1983 we have only managed to get out one other prisoner, Liam Averill. We very much regret that we have not been able to secure the successful escape of larger numbers of republican prisoners. We see it as our duty."

Back in the UDA block, McCrory was clearly looking forward to meeting Ms Mowlam. "We've our own thoughts, she'll have her own thoughts, we'll get round a table," he said. "It's not a negotiation thing, it's a talk, a conversation and a listening exercise. From Sunday to now we have not stopped — meeting after meeting after meeting. We know the way forward is dialogue. We want a level playing field."

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Suzanne Moore, page 17

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TODAY'S NEWS

Selsey tornado

Residents of the seaside town of Selsey were coming to terms with the destruction left by a freak tornado, which cut a swathe two miles long and quarter of a mile wide. Chimneys were sent crashing, roofs were damaged, tiles sent flying, shop fronts damaged and trees uprooted, but no one was hurt. Page 3

Tenerife cult swoop

Police in the Canary Islands last night stormed the "last supper" of a cult and arrested a German psychologist who they said was planning the collective suicide of 32 followers. Members of the religious sect apparently planned to end their lives in expectation that a spaceship would carry them off from a Tenerife volcano summit. Page 10

Britannia friction

Government plans to save the Royal Yacht Britannia for the nation are descending into legal acrimony. Two London consortiums and a Glaswegian team, angry at not being chosen to provide a home for the yacht, are planning a judicial review of the Government's decision to shortlist Manchester with Leith. Page 3

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COLUMN ONE

Curing the millennium bug could become an inside job for hackers

Here's the problem: Britain doesn't have enough skilled computer staff to solve the "millennium bug" computer problem: there are millions of lines of code which need to be examined by people, not machines, to check for errors.

Here's another problem: prisons are getting fuller, budgets are getting tighter, and the Prison Service is being encouraged to look for new ways to generate revenue by getting its inmates to do work for private business.

Can you see where this is heading? Of course you can. Though the computer company ICL was a little surprised the other day when a man from the Prison Service rang up and offered the services of its, ahem, captive workforce.

But then again, with the average computer contractor charging around £3,000 per week to work on millennium bug problems, while the average prisoner gets £7 per week for work for outside contractors (such as laundry and bush-making), you can see a certain attraction in the arrangement for private companies.

And the Prison Service could see the logic too: it's got 60,000 inmates in 136 jails. There must some people there with computer skills - even if in some cases, it was computer skills that led to them getting locked up in the first place, for example for planting viruses, defrauding companies or browsing the Internet for child porn.

However, a Prison Service spokesman said that reports which appeared yesterday in the trade magazine *Computing* that it might be seeking to lock up a contract with ICL were "pure speculation". "On an annual basis the prison service explores employment opportunities with hundreds of companies in a range of fields," he said.

But, he admitted, "we have begun preliminary discussions with ICL about the possibility of providing some labour to undertake data transfer work."

How would you choose the people to do the work, though? Surely the very ones who would have the right qualifications to do the work are, by definition, the ones you don't really trust to do it.

A spokesman for ICL agreed: "There's a raft of issues that need to be addressed - security, vetting, payment, getting the agreement of customers. And we wouldn't want to be accused of exploiting cheap labour."

Dealing with industry has caused some teething troubles for US prisons, which also hire their inmates' services to private companies. It has thrown up some odd pairings - including prisoners being used by long-distance phone companies to make marketing calls, and others to validate credit cards for debt agencies.

The sort of thing ICL is worried about is that its captive workforce might - accidentally or on purpose - miss some important mistake in work that was being corrected to solve the millennium bug, expected to hit computers at the end of 1999. It might take that long before they decide whether to go ahead.

— Charles Arthur, Science Editor

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NEWSPAPERS SUPPORT RECYCLING

Recycled paper made up 41.4% of the raw material for UK newspapers in the first half of 1997.

PEOPLE



Top gun: Claire Drew test-piloting the upgraded headgear that forms an integral part of the RAF Jaguar's sophisticated weapons guidance system

Photograph: Kalpesh Lathigra

Daddy's girl shows her mettle in man's world

Claire Drew was very much a daddy's girl. When her father - a deck officer in the merchant navy - returned from sea she would spend her time with him "fiddling with cars". One of her most prized possessions was a Scalextric set.

Yesterday at 30 years old, she was named as Young Woman Engineer of the Year.

Mrs Drew, an engineering manager at GEC Marconi Avionics in Rochester, is working on a project to upgrade the helmets for pilots of RAF Jaguar aircraft. The headgear is part of a highly sophisticated weapons guidance system.

The presentation of the 1997 award, sponsored by the Institution of Electronics and Electrical Incorporated Engineers, comes just days after news that girls are heating hots at science and maths in school. In the past, girls have experienced considerable difficulty when switching from school and university to the workplace. Only 200 of the insti-

tution's 27,000 members are women. Ms Drew, the mother of a three-year-old girl, has experienced no such problems. "I've received nothing but support throughout my career. I know a lot of women encounter difficulties, but I've been very lucky."

After a higher national diploma at Liverpool Polytechnic, she got a job with British Aerospace. Six years later she moved to GEC Marconi in Kent. "Although girls have always been encouraged in maths and science, they don't see the range of options within engineering and don't really look at the discipline as a serious career move," she said yesterday.

The award, which included a £1,000 cheque and a silver rose bowl, was presented by Labour MP and fellow engineer Claire Curtis-Thomas. Runner-up was Vicki Houston, 28, from Glasgow, who works for Yarrow Shipbuilders. Most promising young engineer was Abigail Small, 23, from Preston, Lancashire.

— Barrie Clement, Labour Editor

Circus family's double trouble

Yesterday was a bad day for the Chipperfield circus family. As one son lay critically ill in a Florida hospital after being mauled by a tiger, his brother waited to hear whether he would be in trouble with the law for shooting the beast.

Richard Chipperfield, 28, came to his brother's rescue when Arnie, a 350lb Bengal tiger, bit Richard, 24, on the back of the head. He could be now charged with breaking state laws against animal cruelty and discharging a firearm in a public building. A police spokeswoman said: "The state attorney will have to decide whether a warrant will be issued for the arrest of Graham Chipperfield."

Members of the Chipperfield family have been performing in circuses since 1684 and have a long tradition of working with lions, tigers and leopards. As the British

Mrs Hamilton could be MP

Christine Hamilton, the wife of disgraced former MP Neil Hamilton, said yesterday that she had had enough of politics - but added that it was possible that she could stand for Parliament herself.

Mrs Hamilton was commenting on the recent Channel 4 comedy *Mr White Goes To Westminster*, based loosely on the Hamiltons' electoral battle with Martin Bell, in which a disgraced MP's wife runs for Parliament. She said: "There's a whole world outside politics and it would be quite fun having time to enjoy it."

But asked if she might stand for Parliament, Mrs Hamilton, 48, said: "Everything's a possibility - I'm not saying it's a probability."

"I'm the kind of person who's going to survive life. You have to cope with whatever life chuck at you."

— Rosa Prince

UPDATE

INDUSTRY

Fat cats still get the lion's share

The gap between the "haves" and "have nots" in British industry is continuing to widen as directors award themselves pay rises four times the increases they grant to their employees, according to a study published today.

The ratio of the pay of the highest-paid director and the average employee was 12 to 1 in 1994, but three years later it had increased to 16 to 1. The TUC, which asked City research group Datastream International to compile the figures from company accounts, said the statistics show that little had been done to curb "executive greed" despite the strictures of the Greenbury Committee, which investigated boardroom remuneration more than two years ago.

Comparing the same 362 companies in 1994 and 1997, the TUC's report, "Wider Still and Wider", showed that the average pay of the highest-paid director, excluding shares and incentives, had increased from £204,160 in 1994 to £312,910 in 1997, an increase of 53 per cent or around 16 per cent a year. At the same time the average pay of employees rose 13 per cent, or 4 per cent a year, from £17,240 to £19,410.

— Barrie Clement, Labour Editor

CHILDREN

Record number of calls to charity

A record number of children called ChildLine last year, it was disclosed yesterday. More than 1.2 million youngsters sought advice from the free national helpline service for children in trouble or danger - a 12 per cent rise on 1996.

The most common problems were physical and sexual abuse - mainly at the hands of their own families - in particular their fathers - bullying, and worries that other children were being mistreated. The number of youngsters given help and protection after contacting the service for the first time also increased last year - by 14 per cent to 102,816, compared with the previous year, according to the charity's annual review published yesterday.

Of the new callers, more than 18,000 - 18 per cent - telephoned in 1996 about being physically or sexually abused, 14,311 (14 per cent) said they were being bullied and 10,500 (10 per cent) called because they were worried about someone else, usually another child.

Other calls were about problems ranging from unwanted and under-age pregnancies to unhappiness because parents were divorcing. On-going counselling was given to thousands of others who continued to need help.

However, the charity warned that many children were still not getting the help they need because they could not get through to the service.

TRANSPORT

Urban traffic getting slower

Car journeys are taking longer because of increasing congestion, according to Government figures released yesterday. The survey of speeds in 24 English towns and cities, carried out by the Department of Transport in 1996 and 1997, showed that in 14 regions cars were travelling slower.

The biggest fall in average speeds was seen in Peterborough, where cars in off-peak hours had been travelling at 38.8 mph in 1993 and now only manage 33.7 mph.

Not all cities suffered. In six areas, there has been a significant increase in average speed. In Derby, speeds rose by nearly 5 mph. In Tyneside, the absence of roadworks when surveying took place in January 1997 led to a rise in average speeds of more than 3 mph during the rush hour.

— Randeep Ramesh, Transport Correspondent

TOURIST RATES

	Australia (dollars)	2.46	Italy (lira)	2,841
Austria (schillings)	20.22	20.22	Japan (yen)	231.10
Belgium (francs)	59.45	59.45	Malta (lira)	0.62
Canada (\$)	2.26	2.26	Netherlands (guilders)	3.24
Cyprus (pounds)	0.84	0.84	Norway (krone)	11.91
Denmark (kroner)	11.03	11.03	Portugal (escudos)	292.91
France (francs)	9.64	9.64	Spain (pesetas)	243.63
Germany (marks)	2.89	2.89	Sweden (kroner)	12.79
Greece (drachmai)	459.18	459.18	Switzerland (francs)	2.34
Hong Kong (\$)	12.17	12.17	Turkey (lira)	331.162
Ireland (pounds)	1.15	1.15	USA (\$)	1.58

Source: Thomas Cook

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by Jerry Scott & Jim Borgman 7.30 FOR 8



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The night the Selsey twister wrecked a town

The small West Sussex town of Selsey woke up yesterday morning to the multi-million-pound damage of a freak 100mph tornado. Ian Burrell reports on how the shellshocked townsfolk then became targets for looters and cowboy builders.

It came just before midnight. To some, the whistling winds that suddenly drowned out the noise of a thunderous hailstorm were like the sound of an onrushing express train. Others heard it and envisaged a giant tidal wave sweeping up through the town from the shore.

Then came an explosive thunder clap. Across Selsey windows were sucked from their frames, cars lifted into the air and chimney stacks hurled to the ground.

Jeremy Wearn, a photocopy engineer, was asleep as the glass burst out of his window, causing a rushing change of pressure which ripped out an outside wall, sending breeze blocks crashing to the ground.

Without the outside wall, Mr Wearn's three-sided bedroom, with its exposed wardrobes and candelabra, yesterday looked like a display in a furniture showroom open to the gaze of neighbours and the media.

Shortly before he was moved to emergency hotel accommodation, he said: "When the crashing had stopped I looked out and could see next door. The bedroom wall had gone."

The town's most famous resident, Patrick Moore, the astronomer, rushed home 500 yards from his local Indian restaurant to assess the storm damage to his three observatories. One was demolished.

"It looks like Dresden after a raid," he told *The Independent*. "It's going to be a major repair job." No one was killed and only two were injured in what the London Weather Centre later described as a "fairly major tornado". But yesterday, as local people tried to patch up 1,000



Patrick Moore examines the destroyed observatory in his garden while (right) Jeremy and Donna Wearn inspect damage to their house

Photographs: Andrew Hasson

ployed on the streets of Selsey to prevent more incidents.

Then came the cowboys. Roofers, glaziers and builders began arriving in the village soon after daybreak. Although many local firms were present, others had come from London and as far away as Norfolk.

Albert Jones, owner of local firm Nutbourne Construction, said: "There's a lot awful lot of chancers down here. One bloke had filled his car with tarpaulin and was trying to sell it."

Some locals were being asked for up to £60 per roof tile for repairs. By lunch time, the police had drawn up a leaflet with a caricature of a cowboy which was circulated to all the damaged homes. It warned: "Watch out, there's a cowboy about. If in doubt call your local police station." Chief Inspector Harrison said: "We have uniformed officers out investigating the bona fides of some of these people." Selsey is used to fighting the elements.

A milder tornado struck there in 1986 and earlier this week there were flooding alerts as waves breached the sea defences.

Arthur Gilling, a retired hank worker who was shoring up his hovel yesterday after branches from a pine tree crashing through the roof and bedroom window, said: "It was like nothing on earth." Eric Payne, who had to be evacuated from his home, concurred: "It felt as if Armageddon had come," he said.

Locals, most of whom stayed awake all night in a state of shock, spotted what was happening and called the police.

Other would-be looters made for a badly damaged caravan site and tried to force their way into some of the mobile homes. Chief Inspector Stuart Harrison, of Sussex Police, said: "It's adding insult to injury to members of the public who have already suffered greatly at the hands of Mother Nature. It seems rather evil that they should be preying on people when they are in their direst need." He said a team of 35 uniformed officers had been de-



How the elements struck twice

In 1994, three men armed with baseball bats and chains smashed their way into a house in Selsey, West Sussex, then fled without taking anything – but not before

explaining to the frightened residents that they had broken into the wrong house. That is the sort of exciting place Selsey is.

It is difficult to see what Selsey could have done to arouse the heavens' wrath, not once but twice. The town has just been hit by its second tornado in recent years. It suffered a milder one

in 1986. Then last Sunday, gales and heavy seas damaged the town's sea defences.

If this is a sign of vengeance from above, it may have something to do with St Wilfred of York, who built a cathedral in Selsey in 681. Wilfred spent much of his life involved in complex disputes involving the date of Easter and the correct way to shave a priest's tonsure.

The town can boast a large number of elderly residents (more than 40 per cent of the

population are over 60), one of the largest caravan parks in Europe, a branch of the Dr Who Appreciation Society and the astronomer Patrick Moore.

When the eccentric Eighties pop group Madness wrote the lyrics to their hit song "Driving in my car", they included the line "I've even been to Selsey Bill".

They chose it well: where else, after all, both rhymes with, and is even duller than, Muswell Hill? Until the end of the 18th century, Selsey Bill – the promon-

tory on which the town sits – was an island. The causeway to the mainland was completed in 1809.

Between that date and

Wednesday night's tornado,

Selsey has generally stayed out

of the headlines. In 1994, there

was a double murder after a

karaoke meeting in the local pub

– the Star Gazer, named for

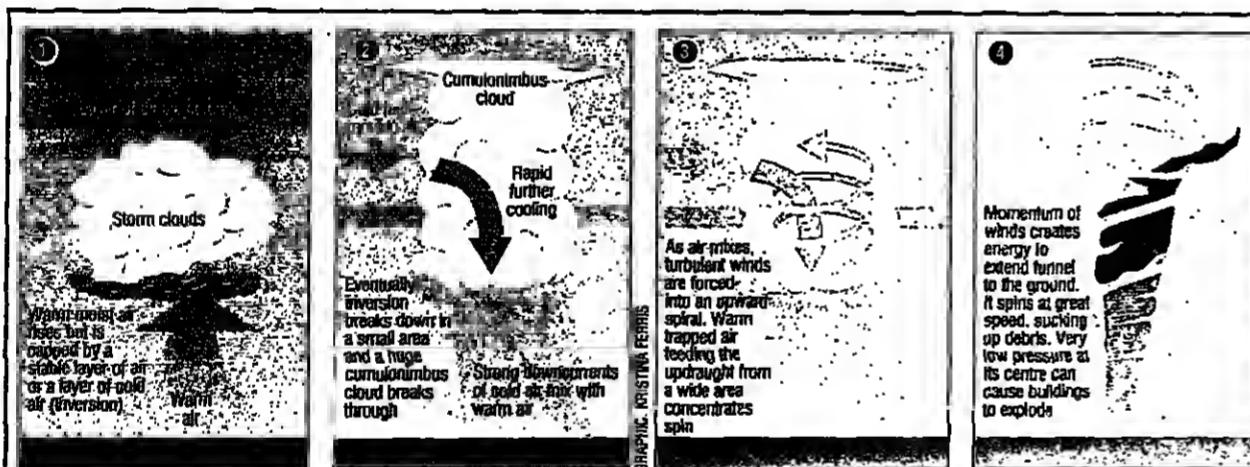
Moore – and the following year

someone found a £15,000 Rolex

watch in a swimming pool and

handed it in to the police.

— William Hartston



HOW TORNADOES CAN HAPPEN – EVEN IN GENTLE SUSSEX

If you thought tornadoes were just an American experience, as in the film *Twister*, think again. About 50 hit Britain each year, but most don't hit populated areas, and are smaller than yesterday's storm.

Tornadoes have their origins in thunderstorms. In the United States, meteorologists have learnt to watch for rain patterns with an "S" or "6" shape – indicative of a funnel cloud about to form, or already ro-

tating. This usually happens along a storm front when large masses of cold dry air, fast-moving frigid dry air, and low-lying warm wet air collide.

The masses begin rotating, with the warm air trapped beneath, trying to rise, and the cold air trying to fall. If the twisting warm air punches a hole up through the cold air, the scene is set for a funnel cloud.

Generally, half of funnel clouds dissipate, but the oth-

ers worsen, as the winds speed the funnel up. It tightens and extends down towards the ground. When it touches, the tornado is born.

Some wind speeds of more than 250mph, and move across the ground at more than 50 mph. Their severity is measured against the 7-point Fujita scale, ranging from F0 to F5, the "inconceivable tornado" with winds of more than 370mph, which isn't expected

to happen on Earth. Even F2s and F3s are killer tornadoes.

Andy Yeatman, spokesman for the Meteorological Office, said: "The Selsey tornado was considerably more destructive than those we normally witness."

The funnel core is the most vicious killer for anyone unlucky enough to be sucked into it: people are sandblasted to death by tiny debris.

— Charles Arthur
Science Editor

Acrimony over plans for royal yacht

Government plans to save the Royal Yacht "Britannia" for the nation are descending into legal acrimony. Steve Boggan reports on moves which may scupper the good name of the vessel in her "retirement".

The Government is to face legal challenges over its decision to shortlist Manchester as one of two sites where the Royal Yacht Britannia will finally come to rest.

Two London consortia and a Glaswegian team, angry that they were not chosen to provide a home for the retired yacht, are planning a judicial review of the Government's decision to shortlist Manchester with Leith.

Their main gripe is that they believe the Manchester plans were submitted after the closing date for bids, a claim the

Manchester team and the Ministry of Defence, which is handling the issue, vehemently deny.

Manchester's bid, put forward by Peel Holdings plc, owners of the Manchester Ship Canal, was not in before the first deadline last spring. After that, the MoD whittled down applicants from 20 to six – again, not including Manchester. However, MoD officials said Peel Holdings expressed an interest during the summer and made a formal, detailed bid before the second deadline of September 30 last year.

But Lords of the Isles, representing a consortium which planned to moor the ship in South Quay on the Isle of Dogs, say they were told the Manchester bid was late, was imposed on civil servants by ministers and is, in any case, inappropriate for the future of the vessel.

The Manchester bid involves

placing the vessel at anchorage off the Manchester Ship Canal near Peel Holdings' £200m Trafford Park shipping development. The Lords of the Isles bid would have placed Britannia in South Quay, adjacent to the London Docklands Development Corporation building.

However, on December 10, George Robertson, Secretary of State for Defence, named Manchester and Leith as the final competing sites. Lords of the Isles said it believed the decision was "political" and its objection was backed by John Whittaker, thought to be among the richest 120 people in the country. An MoD spokesman said the Peel bid was submitted inside the deadline, a statement which would appear to be supported by correspondence given to *The Independent* by another bidder.

A final decision on the resting place for Britannia will be made in the spring.

the whole game was changed.

"There is something odd about the imposition of a bid after the deadline in an area (Manchester) which we believe could not sustain the royal yacht and bring in the £2.5m a year needed to maintain her," said Ian MacNeil, spokesman for Lords of the Isles. "We understand the bid was late and we have been told by officials at the MoD that they were ordered to consider it. We want to know why."

Peel Holdings in Manchester is 55 per cent owned by John Whittaker, thought to be among the richest 120 people in the country. An MoD spokesman said the Peel bid was submitted inside the deadline, a statement which would appear to be supported by correspondence given to *The Independent* by another bidder.

A final decision on the resting place for Britannia will be made in the spring.

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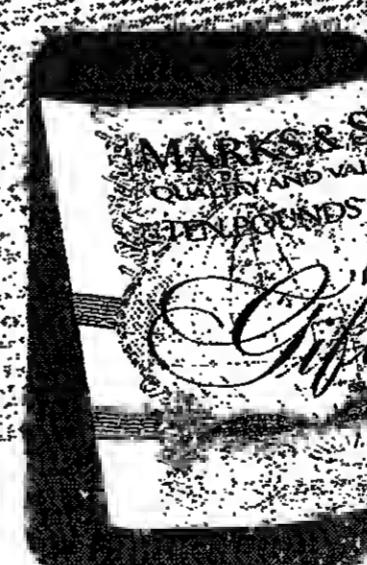


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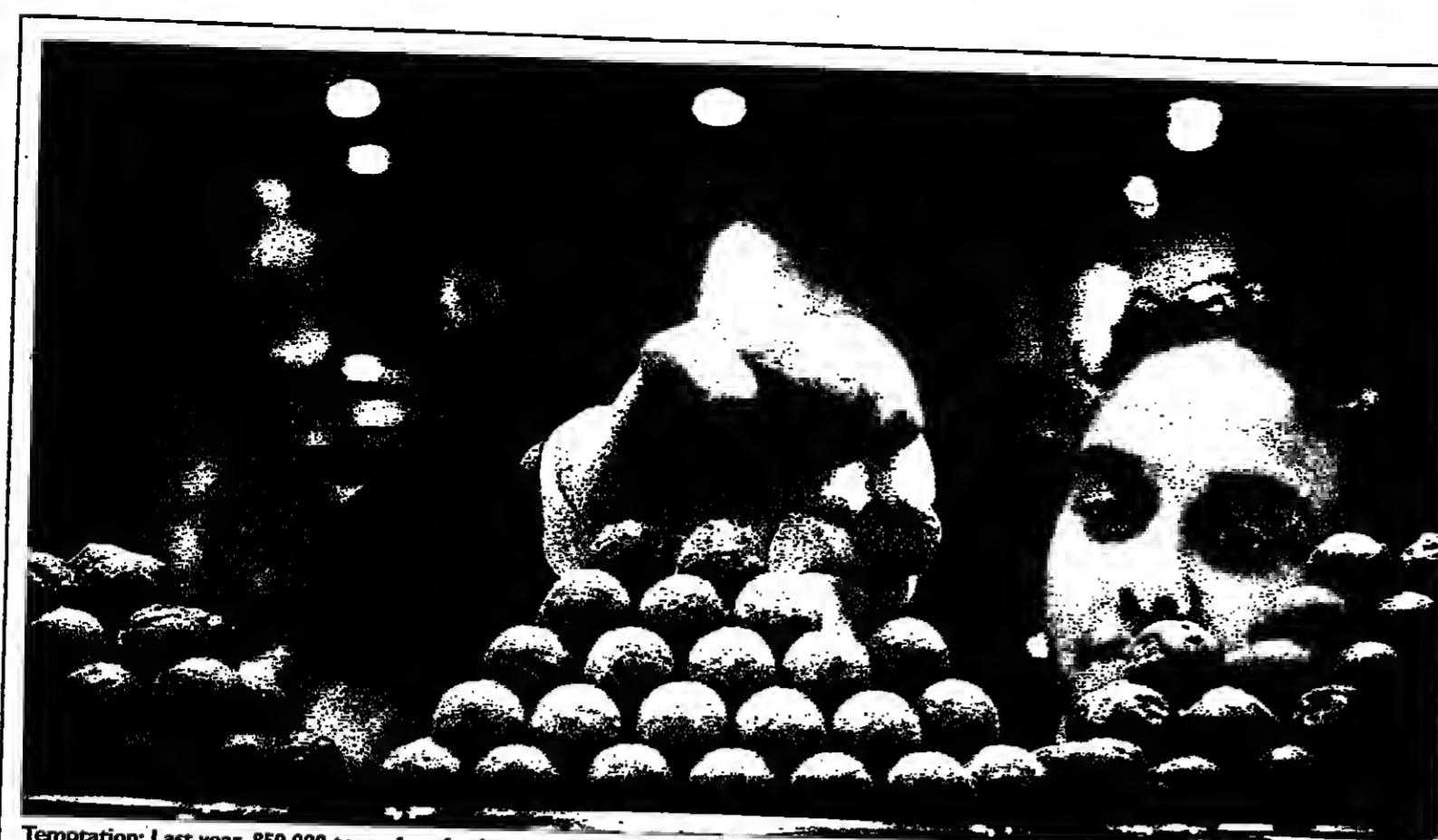
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Temptation: Last year, 850,000 tons of confectionery was eaten in Britain, pushing sales to a record £5bn

Photograph: Tom Pilston

Sweet-toothed Britons lead world in chocolate eating

The British leave the rest of the world standing when it comes to buying sweets and chocolate, according to the 1997 Confectionery Market Review.

We each eat an average per year of 16kg (more than 35lb), making us the largest per capita confectionery market in the world, way ahead of the United States at 10kg, France with 5kg and Japan with 3kg.

The review, which is produced each year by Cadbury and Trebor Bassett, shows that the market in confectionery has grown by 16 per cent in the last 10 years. In 1987 we munched our way through 735,000 tons of sweets and chocolates but by last year that had risen to a massive 850,000 tons, which pushed sales over the £5bn mark for the first time. The growth is attributed to people tending to snack more, com-

bined with a proliferation of new brands over the last decade.

Confectionery continues to dominate the snack-food sector with its sales outstripping the combined total of ice cream, biscuits, snacks and crisps.

While people all ages eat chocolate and sweets, the picture changes when you look at who actually buys the confectionery. Although children account for one-third of all confectionery eaten, they buy only 6 per cent. The biggest purchasers are women – two-thirds of all confectionery is bought by them. However, because women still do the bulk of the family shopping they eat only two-thirds of what they buy, compared with men who eat nearly all they buy themselves. Chocoholics vary around

the country – Londoners eat the least confectionery, spending £1.44 per head per week. Those in Wales and the West Country spend the most – £2.09 – closely followed by those in the South and South-east who spend £2.04.

The traditional bar – Cadbury's Dairy Milk – continues to be the best seller, followed by Mars and Irnix. The best selling sweet brand is Wrigley's Extra chewing gum, followed by Polos and Trebor Extra Strong mints.

Alan Palmer, marketing director of Cadbury, said: "This report shows how great the British confectionery industry is – we really are true world-beaters, and our love affair with chocolate and sweets shows no sign of abating."

— Glenda Cooper
Consumer Affairs Correspondent

Slimmers' yoghurt claims to make stomach feel full

Chocolates, biscuits and sweets which claim to fill you up – thus helping you lose weight – could be just around the corner. Nutritionists however are more sceptical. Glenda Cooper, Consumer Affairs Correspondent, reports.

Scientists yesterday introduced a yoghurt with an ingredient which they say could help you lose weight by fooling the body into thinking that the stomach is full.

A substance called Olibra, made from palm oil and oat oil, is said to trigger the chemical reaction in the small intestine which tells the brain that you have had enough to eat. The first yoghurts containing Olibra went on sale in Sweden yesterday and the developer of the product, Scotia Pharmaceuticals, said it hoped to follow suit in Britain.

But nutritionists said yesterday that more work was needed before it would be possible to say whether the yoghurt fulfilled expectations, and they asked Scotia Pharmaceuticals for more information on the product.

Olibra is made by taking palm oil and extracting ingredients which appear to activate sensors in the intestine which then release peptides into the blood. These in turn send messages to the brain that food is in the gut.

Mixing palm oil with oat oil and water produces an emulsion

which carries the Olibra swiftly into the small intestine.

Scotia says that the feeling of fullness lasts for three to six hours, reducing the temptation to snack between meals and lessening the desire for food. It claims that consumption of calories at the next meal is significantly reduced.

A trial carried out by the University of Ulster involving 29 men and women found that after eating the yoghurt calorie intake was reduced by 16 per cent.



Fat intake was reduced by 22 per cent.

The participants in the double blind trial ate breakfast and then lunch when they were given either a normal or an Olibra yoghurt.

At 5pm a buffet meal was served where participants could eat as much as they liked. The amount of food eaten by each volunteer was recorded by pre-

weighing all foods and weighing the leftovers.

The yoghurt's makers insist this is not an appetite suppressant along the lines of controversial drugs because it uses ingredients which occur naturally in the diet, and activates natural reactions.

However, Tom Sanders, professor of human nutrition at King's College, London, and author of *You Don't Have To Diet*, said yesterday that more testing was needed: "The company is trying to wheedle its way into selling a product... without testing for safety."

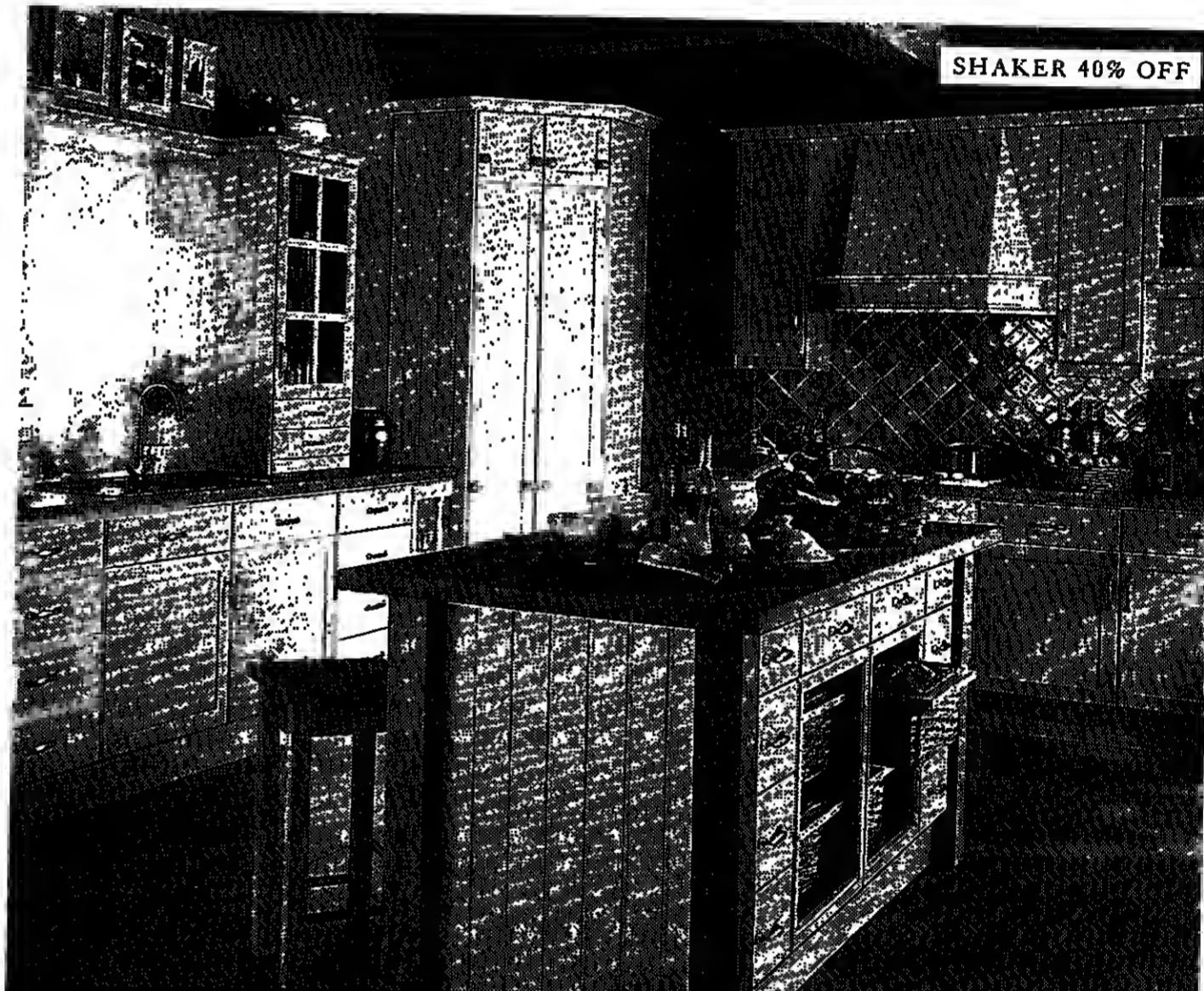
The study is very short-term and it is not going to say whether it's going to work in the long-term. It also takes quite a long time to get signals to the brain and most people wolf their food down in 20 minutes whereas the brain signals may take one or two hours."

He added that even if the substance made you feel full, that was not necessarily the answer to controlling appetite. "The reasons why we gain weight and overeat are really quite complex. The idea that obesity is due to not controlling hunger signals is not the whole story. Most people eat because of the social situation."

Robert Dow, chief executive of Scotia, said yesterday that studies to see the long-term effects and any side effects would be carried out.

But Professor Sanders said the idea that the product was "natural" and, therefore, safe was not acceptable: "You need to have everything tested after BSE where things were natural but extremely nasty."

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Balloonists see their dream deflated before take-off

The latest attempt to circle the globe in a balloon, by three men including a British engineer, ended before it began yesterday. Kathy Marks in the Swiss Alps, explains what happened and asks why this elusive quest excites such passions.

The conditions were perfect for a launch at first light yesterday morning in Chateau d'Oex, in the Swiss Alps. The 177ft-high silver balloon should have lifted off into the skies and floated across the Mediterranean towards Africa, on the first leg of its 20,000-mile voyage.

The Breitling Orbiter 2 balloon would have been carrying three men who have pinned their hopes on flying around the world non-stop, propelled only by the winds.

But disaster struck as it was being unloaded by crane at the launch site. The four cables that secure the gondola to the canopy inexplicably slipped

their fastenings, sending it crashing back on the lorry that had transported it. Repairs and weather patterns will delay take-off for at least a week.

The gods have not smiled on successive attempts by rival teams to be the first to circumnavigate the Earth in this fashion. Just this week, American Steve Fossett, thwarted by faulty equipment, gave up after 7,000 miles and landed his Solo Spirit balloon in Russia.

Last November, Richard Branson's envelope snapped its mooring before take-off in Marrakesh, Morocco.

For the two Breitling pilots, Swiss-born Bertrand Piccard and Winn Verstraeten, a Belgian, it was their second false start. Last year they were forced to ditch in the sea just hours into their journey because of a kerosene leak.

Andy Elson, a British flight engineer who was to have accompanied them this time, was asked what would have happened if the cables had failed in flight. "We would not be having this conversation now," he said.

Piccard said: "It's like having a nightmare and not being able

to wake up. But it is not part of our philosophy to give up."

To many people, there is something faintly absurd about the obsession with achieving this particular feat. But to flying enthusiasts, it represents the ultimate challenge, the "last great aeronautical adventure within the world's atmosphere", as *National Geographic* magazine has called it.

Piccard, 39, is a psychiatrist: he planned to hypnotise his fellow team members so that they could snatch some sleep during the journey. Elson, 44, of Wells, in Somerset, spent his childhood on sailboats and says that he turned to ballooning "so I could go sailing into the sky and escape". Fossett, a millionaire securities trader, flies in an unpressurised cabin and thermal underwear.

The human urge to set and break records has for centuries been associated with circumnavigation of the Earth. On the seas, it was first accomplished by the crew of the *Victoria*, led by the Portuguese Ferdinand Magellan, in 1522. In the air, the accolade went to two Douglas World Cruisers in 1924. George Matthew Schilling, an Ameri-

can, was the first to walk round the world, from 1897 to 1904.

In the rarefied world of hot-air ballooning, there has been fierce competition ever since the first manned balloon was launched in France in 1783, its burner fuelled by damp straw, old rags and rotting meat. The first person to ascend into the stratosphere was Piccard's grandfather, Auguste, in 1931.

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Additionally galling to the Breitling team will be the fact that today sees the start of a rival round-the-world bid, by an American duo lifting off in New Mexico. And Branson is repairing his balloon for another attempt from Marrakesh this month. One of them, they all believe, is about to clinch it.



Foiled: British engineer Andy Elson working on the Orbiter's gondola in the Alps yesterday. Photograph: Peter Macdiarmid

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Dewar will stand as First Minister in Scotland

Without saying so, because it would have been uncharacteristically presumptuous, Donald Dewar, the Scottish Secretary, yesterday put himself forward as a candidate for the post of First Minister in the new Scottish Parliament.

Ending months of speculation in which the name of Robin Cook, the Foreign Secretary, occasionally popped up as a contender, Mr Dewar said a statement that with the Scotland Bill due to receive its second reading in the Commons on Monday, it was the right time to make his intentions clear.

"There is of course much preparatory work to be done to ensure that the Parliament gets off to a flying start," he said, "and I am fully committed to that task. The relationship with the Government of the United Kingdom will be crucial. The new parliament must earn the confidence of the Scots. If I can help in any way to achieve these aims as a member of the new parliament, I would very much want to do so."

Tony Blair, who actively encouraged Mr Dewar to make the move, said he would be greatly missed at Westminster. But he added: "I'm actually delighted that Donald has decided to stand for the Scottish parliament. He is an outstanding figure in British and Scottish politics and has an enormous contribution to make." Alex Salmond, leader of the Scottish National Party, also welcomed the news, though he warned: "The issue of who will be First Minister is for the people of Scotland to determine in elections to the Parliament in May 1999."

The Liberal Democrats' Menzies Campbell said: "He will be a commanding presence in the Scottish Parliament and has the advantage of being highly regarded right across the political spectrum."

— Anthony Bevins, Political Editor

Court told of death threats

A financial consultant sent a series of death threats to six colleagues when he was suspended as he was due to jet off for a conference in Mexico, a court was told yesterday.

The letters from Richard Burrell had a picture of a bullet with the words "Death where is thy sting?" and the letters "RIP" below, a jury at Leeds Crown Court was told. Mr Bur-

Hubble
Jupiter

"Northern Lights" are on Earth have their equivalents on all the other planets. Jupiter, the biggest, doesn't care when it comes to size, as the latest images from the Hubble Space Telescope and Curtis Aron, Space Editor, explains.

It is now believed that the first ever to have been taken on Earth, but it is impossible to tell exactly what it is.

These images captured the first ever to have been taken on Earth, but it is impossible to tell exactly what it is.

Will Dolly little lamb

What is the point of the European Space Agency's new mission to Mars? It is not clear, but it is a good question. The agency has announced that it will send a probe to Mars in 2003 to look for signs of life. The probe will be launched in 2001 and will arrive at Mars in 2003. The probe will be a small lander that will touch down on the surface of Mars and will send back data to Earth. The data will be used to help scientists understand the history of Mars and to help them plan future missions to Mars.

Whether the probe will find any signs of life is not clear.

But little was said by the Tories after a one-hour meeting between William Hague and Edward McMillan-Scott, leader of the British Tory MEPs, over their concern that candidates would be required to toe the leadership's hostile line towards the European single currency.

"We are trying to find a way of running a positive campaign on Europe," Mr McMillan-Scott said before the meeting.

— Anthony Bevins

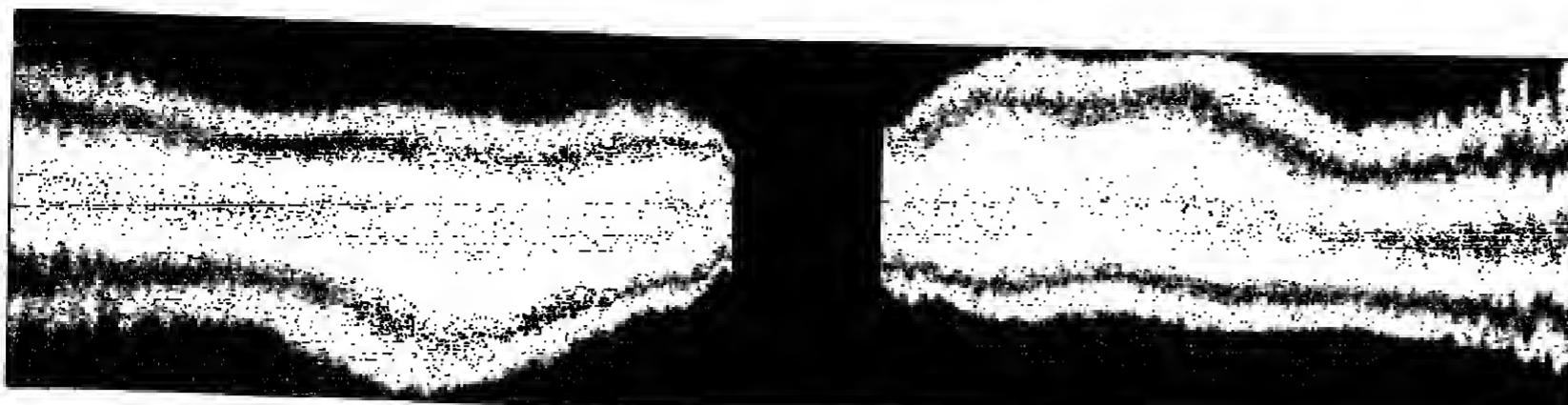
DAILY

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"We are trying to find a way of running a positive campaign on Europe," Mr McMillan-Scott said before the meeting.

— Anthony Bevins



Hubble reveals spectacle of Jupiter's 'Northern Lights'

The "Northern Lights" seen on Earth have their equivalents on all the other planets. Jupiter, the biggest, doesn't skimp when it comes to a show, as the latest pictures from the Hubble Space Telescope reveal. *Charles Arthur, Science Editor, explains.*

The "aurora borealis", the free light show put on by nature at our north and south poles, may be impressive on Earth. But it hardly compares to that available on Jupiter.

These new images, captured by Hubble, show that the largest planet in our solar system can match the best of Earth's northern lights. They extend hundreds of miles upwards into the Jovian atmosphere, and thousands of miles down over the planet's poles.

The same phenomenon has been observed on Earth, and photographed by the Space Shuttle. Usually they are called the Northern Lights (or South-

ern Lights, depending which hemisphere you're in).

Yet the ones pictured are produced by a very different process from that on the Earth.

Here the flickering auroras are caused by fast-moving electrons, thrown out in the "solar wind" from the Sun, hitting the Earth's upper atmosphere. On

Jupiter, the lights are caused by particles thrown out by volcanoes on Io, one of the planet's moons. The particles are then magnetically trapped and begin rotating with the planet, producing ovals of auroral light centred on its magnetic poles (where the magnetic flux is most intense) during both day and night.

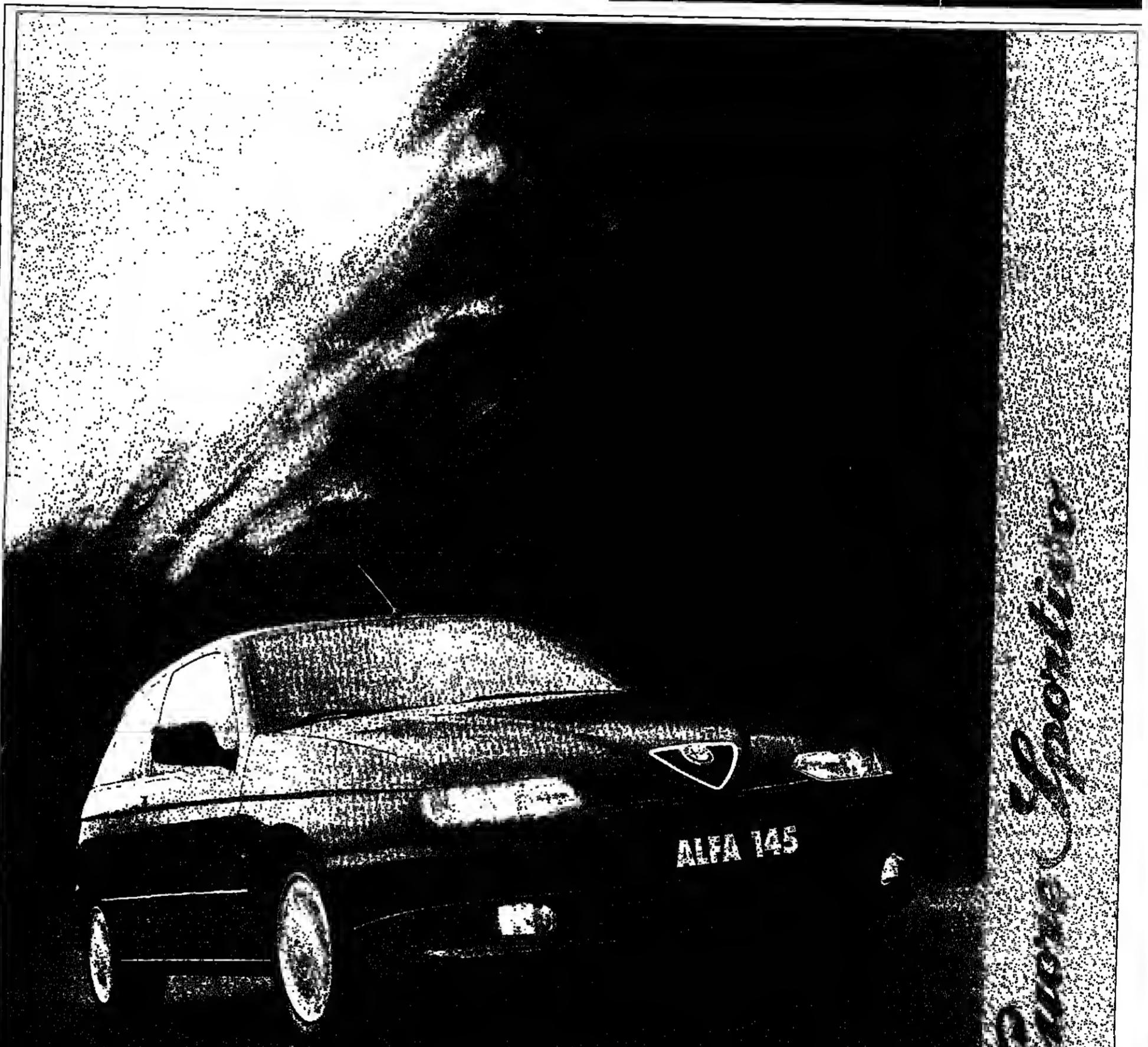
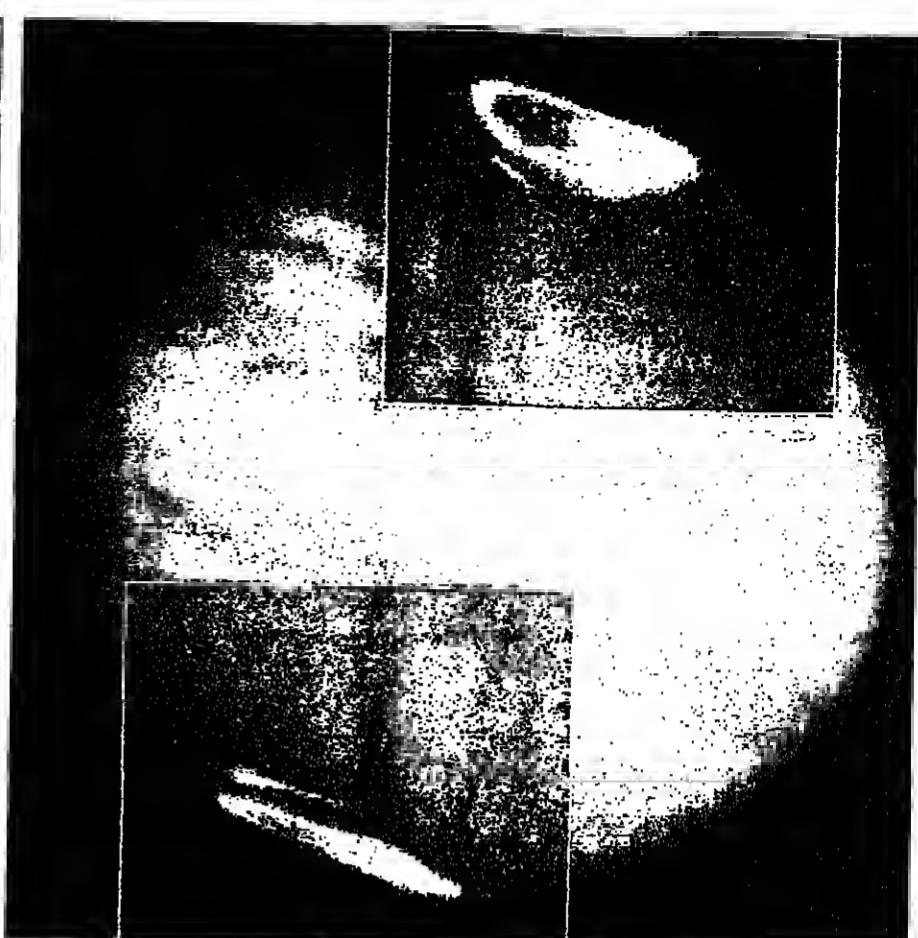
The electrons thrown out from Io generate an invisible electric current equivalent to one million amperes, and generate localised aurorae where they enter the planet's magnetic field. Faint traces, looking like white, comet-shaped streaks outside the polar ovals, show where those streams are trapped in Jupiter's magnetosphere. They persist for hours after the moon has passed out of its orbit, which takes almost two

days.

While the light show on Jupiter may be impressive, it does have one disadvantage. It is invisible to human eyes, because the light created by the electrical energy storms is in the ultraviolet part of the spectrum. That also means that it cannot be observed from the

Earth's surface, since our atmosphere absorbs most of the light at these wavelengths. (The ultraviolet lenses used means that sunlight reflected from the planet's surface appears brown.) The Hubble telescope is the only convenient way we presently have to witness such natural phenomena.

The colours in the picture above show the density of a disc of dust circling Beta Pictoris, a star 50 light years from us: the more dust, the redder it is. Astronomers now reckon that the warped shape of the disc shows that there is a big planet, or very small star, orbiting it. It might be the same size as Jupiter (right) - where electrical storms over the poles rise hundreds of miles above its surface.



Will Dolly have a little lamb?

The cloned sheep which may be its species' most famous member has been mated, but there's no news yet on whether Dolly is pregnant.

However, if she is, then the resulting offspring could answer many questions about cloning, and perhaps even forestall the idea of cloning humans.

In particular, scientists at the Roslin Institute near Edinburgh are keen to know whether the offspring of a cloned animal are sterile, or if they have any other birth or growth abnormalities. It is already known that in the womb, cloned animals tend to be heavier and have more birth problems, and frequently fail to survive. Whether those problems are common to their children is as yet unknown.

Answering those questions is key to the commercial development of cloning for farm animals. If clones' offspring prove not to be viable, they would have to be recreated with each generation.

It is also important for those who would clone humans, such as Richard Seed, the Chicago physician who shocked America this week by saying he wants to set up a chain of 20 human cloning clinics. The idea has been attacked as unethical.

It could also be impractical, depending on what happens in Edinburgh. "Dolly" has been mated and we will wait for nature to take its course," said Dr Harry Griffin, the institute's

assistant director. "We don't know if she is pregnant yet."

Staff at the institute said last September that Dolly would be taken to a ram early this year to determine whether she is fertile and can produce healthy lambs.

Dolly, now 18 months old, is a Finn Dorset breed. She was the first mammal cloned from the cell of another adult mammal.

Professor Graeme Bulfield,

director of the institute, said that the breeding will determine whether Dolly's lambs would be affected by her own unusual conception. Her offspring would not be clones and would be genetically different from their mother, he said.

Healthy lambs would mean that the cloning process had produced a fully healthy, fertile sheep, which would be valuable knowledge for PPL Therapeutics, the Scottish biotechnology company formed to market the centre's work, Professor Bulfield said.

The institute has already proven that cloned animals can reproduce. Megan and Morag, sheep conceived through a different cloning process, have lambs of their own.

Dr Griffin said the institute was planning a centre where it could put Dolly, Megan, Morag and Polly, a cloned lamb carrying a human gene, on public display. He said it should be open by Easter.

— Charles Arthur

DAILY POEM

Imperial

By Don Paterson

Is it normal to get this wet? Baby, I'm frightened - I covered her mouth with my own; she lay in my arms till the storm-window brightened and stood at our heads like a stone

After months of jaw jaw, determined that neither win ground, or be handed the edge, we gave ourselves up, one to the another like prisoners over a bridge

and no trade was ever so fair or so tender, so where was the flaw in the plan, the night we lay down on the flag of surrender and woke on the flag of Japan

Our Daily Poems until Monday 19 January (when the winner will be announced) come from the 10 volumes shortlisted for the 1997 TS Eliot Prize, presented by the Poetry Book Society. All the authors will take part in a reading on Sunday 18 January at 7.30pm in the Almeida Theatre, London N1 (box office: 0171-359 4404). This poem comes from *God's Gift to Women* (Faber, £6.99). © Don Paterson.

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9/HEALTH

THE INDEPENDENT
FRIDAY 9 JANUARY 1998



Deep breath: A study of more than 27,000 schoolchildren from all parts of Britain shows that one in three reported some form of wheezing

Photograph: Bill Fleming

Pollution not to blame for childhood asthma

Teenagers are more likely to suffer from asthma in the clean air of rural Britain than they are in the polluted inner cities. Jeremy Laurence, Health Editor, examines a study which suggests the disease cannot be blamed on climate, diet or air quality.

Britain has one of the highest levels of asthma in the world, and it is now the most common chronic childhood disease. But although childhood asthma has risen sharply over the past few decades, sci-

tists remain baffled about the cause. The mystery will be deepened by the findings of a study of more than 27,000 schoolchildren from all parts of Britain which showed that one in three reported some form of wheezing. Levels were, unexpectedly, slightly higher in rural areas and in Scotland, suggesting that the most popular suspect, pollution, is not the cause.

The unevenness of the geographical spread also suggests that climate and diet are unlikely to be factors. The study did find, however, that the disease is under-diagnosed and under-treated, with only 60 per cent of those reporting wheezing getting any treatment.

The researchers from St George's Hos-

pit Medical School, London, sent questionnaires to 93 large secondary schools across Britain, from the Shetland Islands to Cornwall.

All pupils aged 12-14 were asked to fill them in and 85 per cent were returned. Although one in three pupils said he or she had experienced wheezing in the last 12 months, only half had been diagnosed with asthma. Among those who reported frequent wheezing at night, only one third had been diagnosed with asthma.

Many pupils were not getting the treatment they needed, the researchers say in the *British Medical Journal*. They estimate that six to seven pupils at each large secondary school are suffering moderate

to severe symptoms but are undiagnosed and untreated. Even among those who had been diagnosed, 4 per cent said they were suffering disruption to their lives, suggesting inadequate treatment.

The researchers say the lack of geographical variation in the numbers of children affected suggests that whatever is causing the disease is everywhere. Furthermore it suggests that factors which do vary geographically in Great Britain - such as climate, diet and outdoor environment - are not the main determinants of prevalence.

Dr Balvinder Kaur, clinical lecturer in public health medicine at St George's, who led the research, said: "The most striking

thing was that the prevalence was high. The second most striking thing was that it was high everywhere. I would have expected higher levels in the cities where there is outdoor air pollution, but they were actually higher in non-metropolitan areas. We know pollution triggers asthma attacks in people who have the disease but it does not seem to be a cause of the disease itself."

The level of asthma in France is half that in Britain and it varies widely around the world. The variation is partly attributed to differences in awareness and definition of wheezing but even after these are allowed for, researchers believe real differences remain which could be linked with diet, climate or other factors.

Paracetamol could stave off cancer

Painkillers bought over the counter can prevent cancer. Scientists have shown that aspirin and similar anti-inflammatory drugs used in the treatment of arthritis reduce the risk of bowel cancer. The mechanism is unclear but it is thought that the drugs may stop the production of chemicals in the intestine that are necessary to allow the cancer to grow.

Now scientists at the Brigham and Women's hospital, Boston, Massachusetts, have tested the effect of over-the-counter analgesics on ovarian cancer. They speculated that whatever mechanism was at work with aspirin in bowel cancer might also apply to other cancers, but they included questions about the use of paracetamol and ibuprofen in their study.

To their surprise, they found a positive link with paracetamol but no significant association with either aspirin or ibuprofen use. Women who took paracetamol regularly were half as likely to develop ovarian cancer as those who did not.

The numbers in the study, published in the *Lancet* medical journal, were small and the researchers stress that their findings are preliminary. They say the study must be replicated and the protective mechanism explained before any public health advice can be given.

A total of 563 women with ovarian cancer were compared with 523 from the general population and the researchers found that 26 of the cases (4.6 per cent) used paracetamol compared with 46 of the controls (8.8 per cent). The women with the lowest risk took paracetamol daily or had used it for more than 10 years.

The researchers say that paracetamol cannot work against cancer in the same way as aspirin. However, there is evidence from studies on rats that paracetamol suppresses the activity of the ovaries, which might account for its cancer-preventing effect.

Paracetamol is metabolised in the liver in a process that may require the chemical glutathione. This is also required for the release of follicle-stimulating hormone (FSH) which is essential to achieve ovulation. The researchers suggest that if glutathione is taken up in metabolising paracetamol, it could result in depleted levels of FSH.

They say: "Until the validity of and mechanism for a possible association between paracetamol and ovarian cancer protection are better defined, this association cannot yet be regarded as one which would prompt a public health recommendation." — Jeremy Laurence

Blow for chemists and drug makers as price fixing is referred to court

Drugs manufacturers and chemists may be forced to scrap price fixing for over-the-counter medicines after the Office of Fair Trading (OFT) yesterday called on the courts to settle the issue. The move comes after a long-running campaign by supermarket chain Asda for cuts in the price of non-prescription medicines.

The director-general of the OFT, John Bridgeman, has asked the Restrictive Practices Court to end resale price maintenance (RPM) on over-the-counter pharmaceuticals. Price fixing on prescription-only medicines was abolished in the Seventies.

Asda estimates that shoppers in the United Kingdom could save £300m a year if supermarkets and other retailers were allowed to sell a wide range of popular medicines below the price set by the makers.

But the pharmaceutical industry, backed by leading chemists' chains, says that thousands of community chemists could be forced to close if price fixing was scrapped.

In 1970, when the Restrictive Practices Court last looked at the issue, it allowed manufacturers to continue enforcing minimum prices for their branded products. Mr Bridgeman said there had been considerable change since then - in consumer behaviour, the nature of a chemist's business and the structure of the retail market - warranting a new review.

Asda, which in 1995 cut the price of 80 vitamin products to only restore them after manufacturers secured injunctions, welcomed the OFT's decision. A spokesman for the chain said yesterday: "This is something we have been waiting for and we

are delighted. Today marks the beginning of the end for price fixing in this country.

"The only disappointment is that [the case] will not be heard until 1999, which means another £300m that consumers will have to pay because of price fixing. That is the excess profit going to manufacturers and multiple chemists."

In 1970, the Restrictive Practices Court decided that without RPM supermarkets would stock a wider range of the more popular products and lower the prices, leading to fewer visits to chemists' shops at a time of decline. But the OFT said the number of chemists' shops was no longer declining and the main reason for consumers visiting them now was to collect prescriptions.

The strong growth in the number of chains of chemist shops since 1970

would enable them to withstand price competition, it added.

Boots the Chemist said that it backed the smaller pharmacists in campaigning against abandoning price maintenance. Jan Wright, director of communications, said: "We feel the pricing system should remain. If it goes, small independent pharmacists will go to the wall and that is not in the public interest... people will always want the option of having a local chemist."

The Community Pharmacy Action Group, which was set up to lobby in favour of RPM, reacted angrily yesterday. Its chairman, David Sharpe, said: "This is clearly an attempt to subvert an agreement between the government and pharmacies. People's access to medicines and healthcare advice should be determined by elected politicians, not unelected politicians."

Taking cocaine for science's sake

American scientists are giving drug addicts doses of cocaine and watching how their brains react on a scanner. By identifying the parts of the brain that react to the drug, and subsequently trigger craving for more, they hope to understand the chemistry of addiction.

All that could be seen of the addict were his socks sticking out of a brain scanner the size of a walk-in cupboard. He had been in there about an hour when a technician pushed a button and infused 40mg of cocaine into his bloodstream.

Two psychiatrists watched, along with a heart specialist, a drug counsellor and a nurse. For a minute and a half, nothing happened. Then the man's

heart rate began to rise to 90 beats per minute... 130... 135. His blood pressure lifted sharply. A number came up on a computer screen. "He's getting maximal rush," said Dr Hans Breiter.

The man inside the scanner signalled that he was enjoying himself. His head immobilised and his ears plugged, he rated the experience on a scale of one to four. Four meant really good.

In this unusual experiment at Massachusetts General Hospital, scientists were looking inside a man's head to see what cocaine does. A souped-up Magnetic Resonance Imaging scanner, programmed to run faster than the kind used to take pictures of strokes or tumours, rattled off an image a second of the man's brain.

Within minutes the rush fell to 2, then 1. Then came less pleasant feelings. Low 2, the man reported. Low 3. He felt jittery and out of sorts. Finally the numbers began to rise

on another scale, his hunger for more. Craving 3.

Dr Breiter was relieved. There had been no need to yank the man out of the machine and jolt him with fibrillator paddles - something they had practised doing in 30 seconds in case the cocaine triggered a heart attack.

At about 10 pm, after promising he wouldn't go looking for more cocaine that night, the addict was sent home with a lecture about the dangers of drugs, an offer of drug rehabilitation and his payment, a \$260 (£160) credit at a supermarket.

The National Institute on Drug Abuse, headed by Dr Alan Leshner, is paying for this and similar experiments around America. Scientists hope that by observing exactly how cocaine gets people high and keeps them coming back for more, they will find clues to making medicines that can blunt these effects.

"That state of feeling good,

high, euphoria, buzz, whatever you call it, that's what we're after, and that's what users are after," said Dr Scott Lucas, who is doing some of the research at McLean Hospital in Belmont, Massachusetts.

The Massachusetts General doctors have counted 90 different parts of the brain that are turned on during cocaine's rush. But as the euphoria ebbs and the craving sets in, almost all of these fade out, leaving just a few distinct structures still working hard. The picture emerging is that drugs take over structures that are involved in normal pleasure," said Dr Elliot Stein of the Medical College of Wisconsin.

The findings suggest that drug addiction is not just a failure of will but a brain disease - a lasting, perhaps permanent change in the brain's chemistry and physiology that produces compulsive craving. It also suggests possible approaches to making antidotes.

— Jeremy Laurence

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All smiles as Britain takes Euro-reins

Tony Blair yesterday kicked off Britain's European presidency with a pledge to be a constructive 'honest broker' in launch preparations for the single currency. But as Rupert Cornwell explains, awkward issues ranging from Turkey to the EU beef-ban could yet spoil the Prime Minister's Euro-show.

It was the traditional beaming start for an EU presidency, only more so - the descent en masse of the 20-man European Commission into the new incumbent's capital to map out the six

months ahead, but spiced this time by the undisguised delight of the Commission President, Jacques Santer, that he would be dealing not with Eurosceptic Tories, but with a new, keen Labour Government.

At a joint press conference, Mr Blair and Mr Santer, already on 'Jacques' and 'Tony' terms, gushed with quite sincere mutual enthusiasm. How 'refreshing and appreciated' was Britain's new-found spirit of cooperation, Mr Santer said, and its desire to show how Europe could improve the lives of ordinary people.

The Prime Minister responded in similar vein. It was 'a privilege' to take on the presidency at a moment when the EU would embark on two crucial steps: enlargement to the East, and the final prepara-

tions for the single currency. Although Britain was not joining in the first wave, it would be an honest broker, playing a 'good constructive role' in the launch of the euro.

But as Britain gets into the

daily business of the presidency, the smiles could soon fade. Both men stressed the urgency of improving the EU's fraught relations with Turkey, already threatening major trouble for the accession of Cyprus to the

Union, and which could complicate efforts to find a solution to the Kurdish refugee crisis.

The EU's failure to lift its

21-month ban on British beef exports is a separate irritant.

Progress had been 'far slower

than I'd like,' Mr Blair said, adding that 'if science was the test, we should get some action and improvement. But he warned, 'it would be unwise to be over-optimistic.'

During the presidency, Mr

Blair and the other Cabinet ministers who chair EU meetings are supposed to be neutral, leaving the national interest to be defended by more junior officials occupying the normal British seat.

New title: Tony Blair at a London press conference yesterday on Britain's European presidency
Photograph: Lynne Sladky/AP

But this may not prevent friction between Labour's deregulatory, 'welfare-to-work' philosophy and the interventionist, statist instincts of continental Europe.

On the single currency, however, not a word was breathed yesterday about last month's row over Britain's exclusion from the 'Euro-X' club of countries which sign up for the euro.

But even from the sidelines, the Tories still smile. In remarks that can only have intensified Mr Santer's relief at the change of guard in Downing Street, William Hague last night stepped up his campaign of hostility to the single currency, urging Mr Blair to block unprepared EU members from joining the euro.

In a speech to Teignbridge Tories, he said: 'Britain is at the helm for the next six months... For a prime minister far more interested in doing what is popular rather than what is right, it will mean hard choices.'



Police halt suicide cult's last supper

Police in the Canary Islands last night arrested a German psychologist and cult leader charged with planning the collective suicide of 32 followers, including five children aged from six to 12.

Members of the religious sect apparently planned to end their lives yesterday in the expectation that a spaceship would carry them away from the summit of Mt Teide, a volcano in Tenerife.

Heide Fittkau-Garthe, 56, from Berlin, had lived on the island for a decade and police had been investigating her followers, who were all Germans except one Spanish woman, for several months. The sect believed that the world was to end last night and that they would be transported to a new world.

Police picked up clothing, illustrations and documents from the followers, said to be middle-class men and women, including university graduates, aged between 20 and 60.

A government spokesman said the sect centred around the personality of their leader, who homed in on her followers' personality weaknesses and induced them to pay up to £500 to participate in meetings. Some members had apparently arrived in Tenerife in recent weeks

after bidding farewell to their families 'until the next world'.

Police believe the sect is a splinter group of the Solar Temple suicide cult, whose followers have carried out mass suicides in Canada, France and Switzerland. Dr Fittkau-Garthe's disciples were staging a 'last supper' at a private residence in the city of Santa Cruz de Tenerife before police intervened.

'Inducement to suicide is a crime, and for that reason the security forces had to avoid this evil thing,' Antonio Lopez Ojeda, a Canarian government official, said yesterday. 'It is not even clear which branch the sect is, whether it is the so-called Solar Temple cult or whether it is a splinter of this group... many types are possible, based on the personality of the leader.'

If convicted, Dr Fittkau-Garthe faces four to eight years in prison. In 1994, 48 members of the Order of the Solar Temple died in murder-suicides in Switzerland. Five more members died the same year in Canada, followed by 16 others in the French Alps in 1995 and five more in Canada last March.

Thirty-nine members of the Heaven's Gate cult committed suicide last March at a mansion outside San Diego.

— Elizabeth Nash

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'Stolen' Nazi art seized in New York

Hours before they were due to be shipped back to the Austrian museum they were borrowed from, two paintings exhibited until last Sunday by the Museum of Modern Art in New York were effectively impounded by city authorities.

The problem, David Usborne explains, is their Nazi past.

The Nazi-Iont saga took an unexpected and emotionally charged twist yesterday following the news that authorities in New York are blocking the return to Austria of two paintings that had been on temporary loan to the Museum of Modern Art.

The move has delighted the two families who claim to be the rightful owners of the paintings by the Austrian expressionist Egon Schiele, *Dead City* and

Portrait of Wally. Schiele died in 1918.

Both pictures were allegedly stolen by Nazi officers from family forebears before and during the Second World War.

"It's fabulous," said Rita Reif, an heir to Fritz Grunbaum, a comedian who died in Dachau in 1940 and owned *Dead City*.

"Now we can resolve what has been half a century of great loss."

But the confiscation is threatening to provoke a diplomatic feud between the US and Austria. It has, equally, caused dismay in the art world, stirring fears of long-term damage to the practice of inter-museum loaning.

The harshest reaction came from the Leopold Museum in Vienna, the current owner of the pictures. It had loaned the paintings to the Museum of Modern Art for a special travelling exhibition that ended last Sunday.

"There is no comparable instance in history," Klaus Schroeder, the Leopold Muse-

um's director, complained. "This could rise up to a very big scandal, and I'm afraid of that. I cannot say what will happen in the next hours or days."

The Leopold had already pledged to create a panel of experts to consider the claims of the two families and had promised to surrender the works if the ownership claims were upheld.

But Robert Morgenthau, the Manhattan District Attorney, served the Museum of Modern Art with a subpoena, forbidding the shipping of the pictures.

He is expected to insist they remain in New York while the case is considered by a special grand jury. The process could take months or even a full year.

Hoping to damp down the feud, the US embassy in Vienna yesterday said: "We believe the long-standing relationship of trust and co-operation between Austria and the United States will be helpful as the parties work to resolve this matter."

Framed: A detail from Schiele's *Portrait of Wally*, impounded in New York, where it was on loan from an Austrian museum

Photograph: AFP



Life in solitary for 'evil' bomber

Calling him an "apostle of evil", a New York judge yesterday sentenced Ramzi Yousef to life imprisonment without parole for masterminding the World Trade Center bombing and a plot to blow up a dozen airliners carrying American passengers.

The terms of the 24-year sentence will mean that Yousef will be held in solitary confinement for the rest of his life. Only proven members of his family will be able to visit him, Judge Kevin Duffy ruled.

Yousef, 29, has claimed to be of Pakistani origin and to have studied electronics. He was arrested in Islamabad in February 1995

and returned to the US. He was finally convicted last November for orchestrating the 1993 Twin Towers blast. The attack, which killed six and injured a thousand, traumatised the US which had previously had little exposure to terrorism.

Judge Duffy dismissed Yousef's claim that he was following his Muslim fundamentalist beliefs. "You adored not Allah but the evil you had become. I must say as an apostle of evil, you have been most effective. You wanted to kill for the thrill of killing human beings."

Before being sentenced, Yousef made

his own defiant statement to the court. "Yes, I am a terrorist and I'm proud of it. I support terrorism as long as it is used against the United States and Israel. You are more than terrorists. You are butchers, liars and hypocrites."

At his trial, the prosecution said Yousef had conceived of the Trade Center attack as a "twisted form of protest" at American support of Israel. They said he had told accomplices that he hoped that one tower would topple on another and kill at least 250,000 US citizens.

David Usborne, New York

A planned confrontation between President Clinton and the woman who has accused him of sexual harassment looked likely to be delayed yesterday after the date set for the encounter was leaked to the press. Mr Clinton's lawyer, Robert Bennett, said it was probable the date would have to be changed to avert a "media spectacle".

The conservative *Washington Times*, which is anti-Clinton, had reported that Mr Clinton would give his deposition - a pre-trial sworn statement - at the White House on 17 January. As the accuser, Paula Jones, who alleges that Mr Clinton made

an unwanted sexual advance to her while governor of Arkansas in 1991, has the right to attend and make known her intention of doing so.

Mr Bennett said yesterday that the arrival of Ms Jones at the White House was bound to become a media event if the date were known in advance. Upping the ante in the case, he played down the possibility of an out-of-court settlement, accusing Ms Jones of wanting to profit financially. He also accused the right-wing Rutherford Institute that is helping to fund Ms Jones's case of using the case in an attempt to em-

barrass the President. The trial is set to start on 27 May in Little Rock, Arkansas.

In a related development, the US Treasury has disclosed that it is investigating a decision by the Internal Revenue Service to subject Ms Jones to a tax audit. This procedure, which terrifies most Americans, is invoked mainly when the authorities suspect irregularities, but there is widespread suspicion that it is also used by the powerful to intimidate political opponents. Yesterday, Mr Bennett dissociated himself and the White House from the tax audit.

Mary Dejevsky, Washington

Clinton sex case delay blamed on media

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How to Book

To participate in the offer simply collect one token (tokens will be printed every day until Saturday February 28th) and then telephone the restaurant of your choice quoting the Independent offer. On your arrival at the restaurant you must present your token in order to qualify for the offer. Each token is valid for a complete table booking. The tokens will be valid for one week only, and will be dated accordingly. To continue to participate in the offer, simply collect a token from the week in which you wish to dine. Pre-booking is essential and all bookings are subject to availability.

A special discount is available on selected items in the Bluebird and Le Pont de la Tour shops on presentation of the token.

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Bluebird 330 King's Road, London, SW3 5UH. 0171 559 1000

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Lunch 12pm-3pm, Early evening supper 6pm-7pm.

Blue Print Café The Design Museum, 28 Shad Thames, London, SE1 5YE. 0171 273 7031

Blue Print Café is a favourite destination for many in the city. Admired for its spectacular view, good food and relaxed atmosphere, the restaurant looks out over the Thames and Tower Bridge. Blue Print's food is simple and light reflecting influences from around the globe and the menu changes frequently to take advantage of seasonal produce. New for 1998, Blue Print Café have introduced a set lunch menu which Independent readers can try at the special price of £10 for two courses. Also available early evening is a selection of great Spanish food and rustic wine for £10.

Lunch 12noon-3pm, Early evening supper 6pm-7pm.

Le Pont de la Tour Bar & Grill 36d Shad Thames, London, SE1 5YE. 0171 402 2400

The centrepiece of the Butcher's Wharf Gastrodrome, Le Pont de la Tour overlooks the River Thames and is situated by one of the most famous bridges in the world - it's namesake, Tower Bridge. The entire complex includes an elegant restaurant, lively bar & grill and series of splendid shops. At the Bar & Grill, the menu is a mix of regional French, Irish, British and Italian dishes in simple, generous style. For Independent readers the chef has created a new set menu (£10 for two courses or £4.50 for three courses) full of classic Bar & Grill dishes. Lunch 12pm-3pm, Early evening supper 6pm-7pm.

Mezzo 190 Wardour Street, London, W1V 3LE. 0171 314 4600

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Lunch 12pm-3pm, Early evening supper 6pm-7pm.

Quaglino's 16 Bury Street, St James's, London, SW1Y 6AL. 0171 930 3757

Celebrating its fifth birthday on February 14th this year, Quaglino's has been described as "the talk and taste of London, a place so polished and swanky it could only have come from Terence Conran." Vogue Entertaining Guide June/July 1993. Despite opening in the depths of the recession, this glamorous restaurant has been one of London's most successful establishments. Inspired by the great brasseries of Paris, the menu is predominantly a mix of British, French and Italian dishes.

Lunch 12pm-3pm, Early evening supper 5.30pm-6.30pm.

Zinc Bar & Grill 21 Heddon Street, off Regent Street, London, W1R 7LF. Tel 0171 251 8555

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*Closed from 6pm on Sunday. Offer not available on February 14th.

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Algeria

European Union last
accelerated plans
deciding mission
years amid signs that
may be softening
inside inquiry into
sources.

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assets
to be
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Algeria opening door to international massacre probe

The European Union last night accelerated plans for a fact-finding mission to Algeria, Rupert Cornwell reports, amid signs that Algiers may be softening its previous flat refusal of an outside inquiry into the massacres.

As the slaughter of civilians continued. Middle East experts met in Brussels yesterday to discuss a possible "troika" mission of senior officials from Luxembourg, Britain and Austria – the previous, present and future holders of the EU Presidency – with the German foreign minister claiming that Algiers had already given a "positive reaction" to the proposal.

In London, meanwhile, Robin Cook, the Foreign Secretary, said Europe must establish how it could help in finding a way to end the bloodshed, which has taken at least 1,000 lives in the first 10 days of the holy month of Ramadan alone, and perhaps 70,000 or more since the civil war between the regime and Islamic fundamentalist guerrillas began in 1992.

Until yesterday, there was scant sign that Algiers would give its blessing, essential for any international initiative to get off the ground. Once again on Wednesday, the authorities issued a "categorical rejection of any attempt to interfere in its internal affairs", saying an investigation would only plant doubts over the source of terrorism. "In a stance Algeria con-

demns and absolutely rejects". But there are now hints it could countenance a less clear-cut step. Apart from anything agreed with the EU, some form of UN mission remains possible while – according to officials in Ottawa yesterday – the military regime is willing to receive a Canadian envoy who would urge the Algerian government to be more open about the mas-

sacres. Allegations are ever more frequent that some of these took place with the passive connivance, if not active complicity, of the security forces.

Such suggestions, however, only infuriate the Algerian government, which insists the carnage is exclusively the work of the fundamentalists, the most ferocious group of which is the

GIA, the Armed Islamic Group. The GIA is believed to be behind the unprecedented weekend slaughter in the western Relizane province, which took a reported 400 lives, and for three subsequent attacks which left 62 dead.

The army is conducting a massive search operation in the region, but with no word of real success. So great is the hu-

man devastation that the Algerian Government announced it is sending 50 tonnes of food, tents and blankets to survivors, "the victims of collective massacres by criminal groups of defenceless civilian populations".

In the end, perhaps, it may be humanitarian work that gives outsiders a foot in the Algerian door.

Bhutto assets to be seized

Millions of pounds of assets and documents held in Britain said to belong to Benazir Bhutto, the deposed Pakistani prime minister, and her husband, are expected to be seized after the Government agreed to assist an anti-corruption investigation by Pakistan.

Officers from Scotland Yard are expected to help gather evidence in Britain which can be held for use in any future trial.

The move follows an appeal by the Pakistan government to the Home Office to help it with its investigations into claims that the Mrs Bhutto and her husband earned a fortune through corruption and drug-dealing.

Mrs Bhutto, sacked as prime minister in November 1996 on disputed charges of corruption and misrule, has denied charges by Pakistani officials that she siphoned off millions of pounds and accuses them of starting a "media trial" to defame her family.

Members of Pakistan's anti-corruption unit are believed to have asked the British government to freeze three bank accounts in London allegedly used by Asif Zardari, the former prime minister's husband.

Senator Saifur Rehman, Pakistan's senior corruption investigator, said yesterday that Britain had been asked for "mutual bilateral legal assistance". Mr Rehman claimed that as much as \$2bn may be held in various accounts.

The Home Office yesterday confirmed it had agreed to co-operate with the Pakistan authorities, although it has only been asked about material relating to Mrs Bhutto's husband.

— Jason Bennett



Cash dance Staff of Samsung Life Insurance acting out their refusal to listen to any more doom and gloom over South Korea's economic crisis. The company ordered them to do the dance in a central Seoul street yesterday to boost the morale of salesmen. Photograph: Paul Barker/Reuters

Prime Minister set for a double act on visit to Japan

Tony Blair arrives in Tokyo today for a five-day trip during which he will play a dual role, as salesman for Britain, and (through Britain's presidency of the EU) as the high representative of Europe.

On one hand he will need to blow Britain's trumpet at the expense of its European partners,

emphasising, for example, Britain's low labour costs and attractiveness as a site for inward investment. On the other hand, he will also be advertising the EU as a crucial partner, not least in the run-up to monetary union. Mr Blair will be in the paradoxical position of selling the joys of EMU on behalf of the European Union, while Britain continues to hesitate about signing on the dotted line.

Mr Blair will also address the problems of former wartime prisoners of Japan, who are demanding compensation. But Britain has made it clear it will not put Japan under pressure on the issue. — Steve Crawshaw

White House sets scene for a softer approach to Iran

The White House yesterday opened the way for a tentative softening of United States policy towards Iran in response to the Iranian President's television interview on Wednesday evening.

The White House spokesman, Mike McCurry, said that the text of the interview, in which President Khatami called for contacts through popular diplomacy, but ruled out government-to-government contacts in the first instance, was being studied by foreign policy advisers. Stressing that any improvement in relations "depends upon not just what Iran says but what Iran does", Mr McCurry also said: "We believe that President Khatami made many very positive remarks about the United States... But it's also important to stress that the best way for issues to be addressed is for governments to talk directly." There was a generally favourable reception for Mr Khatami's performances in Iran. After almost two decades of official vilification of the US, his positive assessment of American civilisation was seen as a brave, and perhaps risky, departure.

— Mary Dejevsky, Washington

Governor quits over killings

The pre-Christmas massacre of 45 Indian peasants in the Mexican state of Chiapas has claimed another political victim. Chiapas governor Julio Cesar Ruiz Ferro, of the ruling Institutional Revolutionary Party (PRI), resigned on Wednesday following criticism that he had been warned of a massacre but did nothing to prevent it. Ernesto Zedillo, the Mexican President, last weekend sacked his interior minister, Emilio Chayffet, who was responsible for peace negotiations in Chiapas. The south-eastern state is split between sympathisers of the PRI, and supporters of Zapatista rebels seeking a better deal for impoverished Indian peasants. The Zapatista leader, Subcomandante Marcos, warned that armed conflict could erupt "at any moment".

— Phil Davison

Red Cross launches appeal

The Red Cross yesterday launched a \$170m (£106m) appeal to fund its activities in 56 countries around the world.

In recent years, the International Federation of the Red Cross has focused on the plight of refugees. Now, the emphasis is more on disaster and disease. All too often, it says, "the consequences of catastrophe... can be traced to uncontrolled urban development and environmental abuse". The incidence of disease and the breakdown of public health networks is an increasing concern.

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Yes, Ms Mowlam, enter the Maze – and try to find a way out of the impasse



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Letters may be edited for length and clarity.

Hopes for Ulster

Sir. The press and the BBC are full of worries that the Northern Ireland negotiations may break down because of the events in the Maze and revenge killings.

Things are bound to get worse before they can get better. That they are getting worse, in day-to-day incidents, may even be a sign that they are getting better, for the simple reason that those fanatics who want no compromise will do all they can to wreck it.

Better not to get caught by the extremists in the day-to-day reporting of incidents but also to feature what the outcome of negotiations is likely to be. The leaders would not have gone so far if they did not intend compromise, even if it takes time for their party activists to see that there is no other way out. They do know that the ordinary people in both communities got sick to death of the Troubles. That led to the ceasefires, and the feeling is still there.

The sad thing is that the only possible compromises that can "square the circle" of unionism and nationalism are very little different than at Sunningdale over 25 years ago: a parliament elected by PR, a power-sharing executive, rolling devolution of powers as mutual agreement is reached, a Bill of Rights, equal status for the symbols of Ulster's two traditions, and a periodic referendum on "some form of unity".

The most difficult to agree will be the periodicity of a border poll. But it would put the big question off for a future generation to decide. Each set of leaders will air a different view on the probable outcome. Hume and Adams will count on the popular belief in the Catholic birth-rate (which demographers now question). Trimble and the loyalist leaders have a present majority and will know that about a quarter of the Catholic population tell pollsters that they do not want a united Ireland (but they may be waiting to see quite sensibly, what is in the package economically).

I read or hear no such discussion of eventual outcomes, only over-reaction to daily incidents created by wrecks, or else bleak pessimism that only force can prevail – I mean "the security solution", which has failed, but so has the IRA's attempt to force surrender.

Professor BERNARD CRICK
Edinburgh

Mo Mowlam's decision to visit the Maze prison to talk to convicted murderers so astonished the BBC's Ireland Editor that he described it as "staggering" in a news report. This sudden intrusion of tabloid adjectival excess into the corporation's sober and careful reporting was one way, at least, of marking a historic moment. What he meant was that this was something so far outside the trammels of Northern Ireland's assumptions that he had run out of words with which to describe it. In a region well used to the demands of extreme language to name various forms of killing and other brutality, he was rendered inarticulate by Ms Mowlam's political quickstep.

What he could not say was: "A Cabinet minister, going to plead with jailed terrorists to maintain their support for the ceasefire?" Of course, she says she will not be pleading, but the truth is that the Secretary of State is treating people convicted of terrible crimes as legitimate partners in the peace process. Any right-thinking person should be brought up short by that:

it runs against all the assumptions of liberal democracy.

But there was a dissonance between the BBC's language of the "unprecedented", the "brave" and the "desperate", and the quietness of the response from all the parties gathered around (and about) the peace talks table. Sinn Fein, the IRA's political wing, welcomed Ms Mowlam's decision, although she was going in to the segregated Maze to talk to the other side. David Trimble, the Ulster Unionist leader, said he could hardly criticise it, because he had just been in the Maze himself to talk to the loyalist paramilitaries.

The other thing the BBC could not say was that Ms Mowlam is absolutely right. The principle of not talking to terrorists was abandoned, rightly, by John Major's government. It remains a condition for taking part in peace talks that the parties must formally renounce violence. But prisoners wield much of the power in paramilitary organisations on both sides of the sectarian divide. Following the murder of the

Maze of Billy Wright, the Loyalist Volunteer Force leader, there is no doubt that it is on the loyalist prisoners that leverage now needs to be applied if the peace process is to carry on.

And this newspaper makes no apology for agreeing with Ms Mowlam that the peace process is "the only show in town". We seem to have upset *The Daily Telegraph* by being rather brisk with its silly and shrill demand for Ms Mowlam to resign over the Wright killing. Yesterday, it took this paper to task for emphasising the single word "process", which it regards as an attempt to mystify appeasement of terrorism. Well, we do set much store by the word. In the phrase "peace process" it may be that the second word is the more important. So long as the representatives of Northern Ireland's people are talking to each other, however tetchily, there is some prospect of the habit of not killing each other growing.

Of course, there is a logical incompatibility between the aspirations of re-

publicans and unionists, which can never satisfactorily be resolved. But that should not mean closing our minds and hiding behind that cynical and contemptible phrase, "an acceptable level of violence" – which is, frankly, the only alternative. And, of course, it may well be that this peace process will founder; that Ms Mowlam's boldness will go unrewarded. But meanwhile fewer people are being killed, and greater understanding is being fostered, than if we listened to the "anti-appeasers" of the English right wing.

It is accepted, especially by Ms Mowlam herself, that she is taking a risk in going to the Maze today – though the real risk is simply that she has set a precedent in the event of failure. If the peace process collapses and the killing resumes, there is a danger that any bunch of deluded murderers will think they can summon the Secretary of State to their cells to talk terms.

But she is right to go because there is a feeling among unionists in general, and

those who have in the past resorted to violence in particular – whether or not it is justified, is irrelevant – that their community is not being heard. All the attention in the early part of the peace process has been focused on Sinn Fein, many of whose negotiators have served prison sentences for terrorist offences. She knows that, and that is why she is being, not merely appearing to be, even-handed.

It is, as Suzanne Moore comments on the opposite page, one of Ms Mowlam's political strengths that, as a woman, she may find it easier to break out of the trammels of Northern Ireland politics and disrupt expectations. But there is also a downside, which is that much of the unionist hostility to her is born of chauvinism. The vocal supporters of hard-line unionism in the English press also tend to tread on the edge of cheap sexism. She must press on regardless. Let us hope that the hard men of Ulster will respond in a more responsible manner than London's little unionists.

Under the Dome

Sir: The Great Exhibition and the Festival of Britain are cited as models for the Dome exhibition. But both earlier exhibitions contained magnificent objects which needed to be seen to be truly appreciated.

In contrast, advocates for the Dome imply that the displays will be primarily intellectual or even spiritual (mind-boggling) in content. Andrew Marr ("True confessions of a social outcast", 7 January) suggests several topics, among them: "Is the car culture going to carry on growing or shrivel away?", "What future is there for the countryside?", "Is there a limit to human longevity?" Each would make a fascinating newspaper article, book or television programme, but how do you create an attractive exhibition from such abstract themes? And what could be included that has to be seen *in situ*, over several acres, standing up, after a tedious journey with (in my case) small children in tow, rather than mulled over on video or in print in a comfortable armchair at home?

By all means let us mark the millennium with some stimulating debate, but do it in *The Independent* or take over the BBC for a day or a week and give the money to the numerous splendid, cash-starved museums and galleries around Britain which still have magnificence on display.

RACHEL WARD
London W2

Sir: I wish I could share Andrew Marr's optimism that the Dome will be more Sartre than surfball. However, I cannot believe that a tired collection of establishment figures, obsessed with secrecy and their own importance, will produce anything more than *Noel's House Party* on a grand scale. This, rather than Mr Marr's set of questions, seems the limit of their ambitions.

MALCOLM ACE
Coden Common, Hampshire

Out in the

ACK SULLIVAN

FRANCIS

</div

Welfare reform – we haven't seen anything yet



DONALD
MACINTYRE
ON HARMAN'S
CRUSADE

It isn't her fault, but Nicola Horlick has become something of a codeword in Whitehall for the idiocies of the welfare state. A woman earning £60 per week at the check-out at Tesco is below the lower earnings limit for national insurance. As a result she receives no state-funded maternity benefit. By contrast a high-flying woman City executive is entitled to receive 90 per cent of her full pay – reimbursed by the taxpayer – for 14 full weeks every time she has a child. In the case of an executive earning £1m, that means £18,000 per week. And that's despite the fact that she – like every other higher earner – stops paying national insurance above £25,000 per year.

The injustice of this – which DSS officials are currently working on ending in a shake-up of the £500m maternity pay budget – is worth mentioning because it's a reminder of the many aspects of welfare reform that having nothing at all to do with grinding the faces of the poor. It also underlines that for a Government whose first hard choice on welfare reform blew up in its parliamentary face, it shows every sign of being restless to find others to make.

Let's take a few examples: the leaked David Blunkett letter betrayed deep unease about some of the DSS's proposals on disability benefit and these arguments have not yet been resolved. But I detect no sign that Ms Harman has been pushed off her determination, while ensuring that the genuinely disabled are protected, to seeing to it that less of the £23m disability budget is spent on those who do not need or deserve it. There is a strong case for loading much more of the bill for industrial injuries compensation on to compulsory no-fault insurance for employers, but in any case Harman is determined to spend more on preventing accidents in the workplace and less on paying for the consequences of them. There are already longer range, second-term thoughts on the huge difficulty of whether to means-test the old age pension should, for example, the old age pension be inversely related to earnings so that the higher earners get less from the state when they retire? All these and many more sacred cows look distinctly threatened. The surprising thing about Ms Harman is how fast she bounces back. She is busily telling colleagues that there isn't a single aspect of the welfare state she regards as working properly.

I do not mean to suggest that there are no problems. One is that there are still serious disagreements between Frank Field and Harriet Harman over the draft he has

produced for the Green Paper on welfare reform – which ought now to be close to publication, but isn't yet. One version is that this is less about principle – after all Field and Harman are both arch-modernisers – than about the intensely cerebral nature of the current draft. But it matters, because ministers badly need a text that can form the basis of the campaign to persuade the party and the country that welfare reform is about a lot more than being more right wing about social security than Peter Lilley. Both the row over lone parents' benefit and the leaks over planned cuts in disability benefit descended on the Government without it having set out in a clear and accessible way what it is trying to do. And that is a task that cannot be left in Harriet Harman and Blair himself.

Blair has told his most senior ministers that the Government will be judged on the success of welfare reform; he himself stressed its central importance in a speech at Sedgefield before Christmas. Blair has been reading intensely on welfare over the festive period. But to sell it, not least to the party, the John Prescotts, the David Blunketts and the Frank Dobsons, as well as the Gordon Browns, need to be making at least as many speeches in favour of radical welfare reform as Blair himself. And to do that, there has to be Cabinet agreement on its firm outlines. There also has to be recognition among some of the toughest-minded on welfare reform that some of the fears – for example over disability benefit – are shared by those who are not against reform of any kind. Which is one reason why the Cabinet Committee which Blair will chair, and which he also announced before Christmas, is so important. There are some policies that Harman and her close ally Brown could not, however hard they tried, persuade Prescott and Dobson of on their own. Only Blair has the capacity to do that, and although the composition of the committee has not yet been finalised, both men should be on it.

Having eschewed the seductive path of having an easy life in the party, Ms Harman is extraordinarily unbowed by the criticism she took over the cuts in lone parents' benefit. She appears as convinced as ever that the current social security system is *la dire* need of reform and that it can, in time, be made as popular as the NHS. *And this is an important point.* The most modernising ministers, Harman included, are convinced that while there will be endless aggravation within the party over the *famous* hard choices that the Government will have to make in the coming months, the electorate is more than ready for it.

Many people think the wheelchair-bound and the severely disabled get less than they deserve. They worry intensely that many severely handicapped children are virtually abandoned by the state when they reach working age. Many of those same people are equally annoyed when they notice that the man who is drawing a handsome whack of benefit because of his bad back seems to have no trouble digging his garden. Much of the party will shrug; but Harman remains convinced that among as many in Labour's natural constituency of core supporters as among the traditional *Daily Mail* readers of Middle England, the demand for a cleaner, fairer welfare state is irresistible.

Mo Mowlam's disarming ways may be just what is needed today



SUZANNE
MOORE
WOMAN IN
THE MAZE

"Astonishing", "Unprecedented", "Audacious". These were among the words that greeted the news that Mo Mowlam, Secretary of State for Northern Ireland, is going to walk into the "lion's den" of the Maze Prison in order to talk to loyalist inmates to try to persuade them to stay in the peace talks. All these words could be used of Mowlam's political style itself. No other Secretary of State has gone to the H-blocks for discussions with convicted terrorists but then no other Secretary of State has been Mo Mowlam.

Clearly many observers were shocked and dismayed by her decision. When it comes to Ireland, it is almost as if we are so familiar with inertia and failure that anything new is a threat in itself. While the old methods used to bring about peace have not worked, there is still a tangible fear of the new. Mowlam's "gambit" comes out of her determination to keep the peace train in motion. Indeed her language these days indicates that her goal has shifted from finding a peace settlement to simply being that of keeping everyone talking. We do not need to be reminded of what the alternative to not talking is.

Should the talks fall apart this would be perceived not only as a political failure for Mowlam but a personal one too for a woman who values communication above all else. Her whole image is that of a matey, earthy woman who talks easily and affectionately to everyone.

This is not just an image, as anyone who has met her will tell you. Chewing gum, Mowlam will kick off her shoes and complain that her hair is too tight. As a politician she has kissed not just babies but granite-faced old unionists. She puts her arm around anyone who gets near, patting and prodding her way into meetings. She tells bad jokes and reveals more than she should about confidential matters. Her informality is part of her charm. Though she may appear as someone who doesn't care what

people think of her, anyone who makes this much effort with others obviously cares enormously what other people think. All this talk must also be calculated. It marks her out from other politicians and has worked up until now largely to her advantage.

Not everyone succeeds to



Mo Mowlam, yesterday, in reflective mood

Photograph: Fiona Hanson/PA

Mowlam's charm. The condemnation of her by many in Northern Ireland can be seen, as David McKittrick has pointed out on this page, as good old-fashioned chauvinism. Politics in the North is still frighteningly male-dominated. Republicans and unionists alike may have actually found it easier to deal with the quasi-colonial attitudes of former Northern Ireland Secretaries than the unknown quantity that Mowlam represents. What she has done, which no previous occupant of her post has managed to do before, is to bring the Troubles home. People in Britain are more interested in the peace process because of the way she has personalised it. Up until now, the politics of Northern Ireland, though declared important, have actually been a minority interest. A mixture of ignorance and frustration has governed the British attitude to the whole mess. While many male politicians have talked loftily about securing a place in history should they bring peace to Northern Ireland, Mowlam just wants to talk, replacing ideology with what feels like common sense. What was once dismissed as Mowlam's effortlessly chatty and over-familiar style reveals itself to be an entirely new way of thinking about the Northern Ireland situation, one which is inclusive and human. This is not just the result of her pragmatism but also of her intellect.

If it pays off then, it will have been a stroke of genius by Blair to put his most touchy-feely player in charge of the hardest game in town. Yet if Mowlam represents the new politics, a new way of doing things, then we might ask where the up-and-coming Mo Mowlams are among the surprisingly docile intake of female MPs. Maybe it is too early for many of them to manifest anything like an individual style as they are subject not only to party discipline but also the reality of life in the House. As one poor woman MP replied in the recent *Pawcett*

Society survey of women MPs, "I have been desperately unhappy since being elected ... I hate this place."

The problem for these women is precisely the one that Mowlam seems to have conquered. How are they to be themselves – that is, women – and operate in this hostile political culture. One could argue that the most successful women politicians, from Barbara Castle to Margaret Thatcher and now Mowlam herself, have not denied their femininity but used it strategically. Thatcher was expert at donning the garments of various female archetypes – housewife mother, warrior queen – when it suited her, and dismissing other aspects of her femininity when it didn't – so that she could be more of a man than any of her colleagues. Castle always made sure her hair and clothes were perfect, as though her ultra-femininity would lessen the

threat of her political nous. Mowlam's strategy has been different. She acts like one of the boys but, because she is not one of the boys, she both gets away with things that none of them would and insults for things they wouldn't. Her sheer bravery over her illness, her matter of factness about her appearance, the famous slapping of the wig on the table reveal a woman who knows that there is more to life than feminine vanity. She is thus curiously vulnerable and unbelievably hard at the same time.

In some peculiar way, her illness (and the weight gain that has accompanied it) has made it possible for her not only to cuddle up to all sorts of strangers but for them to cuddle up to her too, as she appears devoid of threat.

There are those who wonder whether despite her constant good humour she is being asked to deliver more than she is capable of. The drudgery of this job, the endless flights, the incredibly slow progress must take their toll. If her charm doesn't work, what other resources does she have? We have seen how tough she is physically but there is still uncertainty about her political toughness. But then isn't this always the question that is ultimately asked about women in powerful jobs. Can they hack it?

However, when people talk of the feminisation of society, of the effect of having more women in public life and in the workplace, they are usually referring to the qualities that we so value in Mo Mowlam coming to the fore and being properly recognised. A less hierarchical, more informal, more personalised style will dominate. Indeed the new management books are full of this feminised language, of webs and horizontal, rather than vertical, structures; full of workers co-operating instead of competing with each other, all to the benefit of the company.

If this is the case, where are the other Mo Mowlams? Why does she appear so exceptional? Why is it so difficult for women in power to retain a personality that has not been prepared earlier by the Millbank geeks, one that is full of complexity?

In the present situation, however, we must be thankful for Mo's uniqueness. It is what makes her so disarming. Let us hope that the murderers of the Maze are equally disarmed by her.

Out in the cold – boys at school, men at home



JACK
O'SULLIVAN
ON THE REAL
DIFFERENCES

It has been a good week for boys. At last the Government is tackling their educational under-achievement. At last ministers accept that boys may have different needs to girls, needs that their schooling should acknowledge. So, all week we have been discussing whether more male primary teachers are required, whether the curriculum is too "female" for boys, providing insufficient emphasis on their interests. Meanwhile, some educationalists have argued that boys' brains develop at a different rate to girls', making it a mistake for some to tackle reading and writing as early as girls.

The validity and importance of such comments, in explaining boys' under-performance, is questionable. Research evidence is incomplete and often anecdotal. So, given the emotionally charged nature of the subject, there is a danger of over-hasty, wrong-headed recommendations that will do little to help boys.

Nevertheless, this week's policy shift is monumental. For it has, at a stroke, freed us from an intellectual straitjacket. Suddenly, it is OK to admit that, in education and public policy terms, boys are not neutered. It is no longer a heresy to say they may be fundamentally different from girls, requiring different treatment.

This difference may seem

perfectly obvious to most people. But sexual politics likes to avoid it, concentrating instead on equality of treatment. The fear has been that too much talk about difference between the sexes will be used to excuse discrimination against women.

The Nineties are, thankfully, seeing the boundaries of the gender debate loosened, not only for the benefit of boys. In the US, a string of recent books have examined deep-rooted differences between the way men and women think. *John Gray's Men are from Mars, Women are from Venus* exemplifies an approach designed to improve relationships between the sexes by acknowledging what they don't have in common.

Likewise, the American psych

ologist, John Gottman, has

identified biological reasons

why men and women act in

contrary ways. In his recent book, *Why Marriages Succeed or Fail*, he argues that men, for example, stonewall in argument to protect themselves from heart disease; because, once emotionally excited, it is hard for them to calm down. This weakness is a hangover from their neanderthal days as protectors, when it was important for them to remain on high alert for long periods. In contrast, women will argue relentlessly with men – not knowing when to stop – when something has gone wrong in their relation

ship. The evolutionary reason? Because well-developed, thoroughly explored relationships were vital for vulnerable mothers nursing babies.

So why are we allowing ourselves at this particular time to think about differences between the sexes? Perhaps this reflects the fact that the argument for treating men and women equally has triumphed intellectually, if not yet on the ground. So we can afford to acknowledge difference. It is also hardly surprising that the shift should have come with respect to boys – concern about them is something upon which both women and men, being mothers and fathers, can easily share. Whatever the reason, the liberalisation of debate should benefit both men and women by facilitating their mutual understanding and allowing their different needs to be addressed.

There are two further reasons why this week's initiative represents a liberation for the gender debate. The first concerns recognition among experts that boys are doing no worse than in the past – their longstanding failure is merely being highlighted by female advancement. (Decades ago the 11-plus figures had to be fiddled because girls were doing so well and would have outnumbered boys in grammar schools.) This is a fascinating admission. Once you realise

that the education system served boys badly even in the days of "male domination" you can question whether all sorts of institutions, designed when men controlled everything, actually did men much good.

Second, the implication of the Government's announcement was that "feminisation" of the educational culture may have ill-served boys. And the package of measures, such as introducing more male teachers, amounts to the admission that primary education, at the very least, needs some "masculinisation".

We have come to assume that "feminisation" is always a good thing. And certainly both men and women will speak of its virtues in the workplace – better communication and more flexible hours. Meanwhile, that ugly term "masculinisation" is usually regarded as negative, synonymous with male authoritarianism.

However, the inadequacies of boys' education suggests publicly, perhaps for the first time, that some forms of feminisation can alienate and damage some males. They may need schools to be designed more in their image.

If this is true in schools, then

where else might the argument

for less feminisation, more

masculinisation, apply? If you are

to look for one institution, other

than school, to which we

would like males to feel a greater attachment, it is the home.

Home is a place where many men clearly do not feel much at home. They often seem to be more at ease in the pub, the garden shed or the allotment. Typically, they do not entertain their friends at home in the way that women do easily. Walk into most houses and it is easy to see why – the decorating is almost always conceived by women and the vital rooms, kitchen, bathroom and living room, are normally female domains. Yet we live in an age when the need of good parenting and sustained marital relationships demands that men should feel comfortable with being at home and not take flight as so many do.

The implications of making traditionally "female" institutions more inviting to males, will understandably worry many women. Likewise, they may be concerned about what the new focus on boys at school will mean for their daughters. But such issues, freed up by this week's announcement, will have to be tackled if we are to move to a world in which the war between the sexes is, finally, to come to an end. Negotiating an acceptable new dispensation will require all the mutual understanding that the likes of John Gray and John Gottman are busy imparting to men and women.

FINAL EXECUTION OF DRASIC DISPOSAL ORDER SHORT NOTICE OF A VERY IMPORTANT

UNRESERVED DISPOSAL AUCTION

of 175 Bales - Bill of Lading No 096-9037-6263

Now have been cleared from HM Customs and Excise bond VAT and duties paid together with a carefully assembled consignment of exceptionally fine and medium quality hand-made valuable

Persian, Islamic and Oriental Carpets, Rugs, Runners and Kilims

By order of trustees, acting for and on behalf of Chamber of Commerce of Persia in conjunction with collection order and remitting fund to the Central Pledge Bank of Iran having met the guaranteed bill of payment by an independent Financial Institute.

Benefited from extreme devaluation of Persian money against the major basket of currencies final decision has been taken to lift the reserve and reduce prices drastically to ensure complete disposal

ON

VENUE 1 - Saturday 10th January 1998 at 11am (view from 10am) at

CLARENDO HOTEL

8 Mont Pelier Row,

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ALSO

VENUE 2 - Saturday 10th January 1998 at 3.30pm (View from 2.30pm) at

SLOANE SQUARE MOAT HOUSE

(Old Royal Court)

Sloane Square, Chelsea, London SW1

ALSO

VENUE 3 - Sunday 11th January 1998 at 3pm (View from 2pm) at

HYATT CARLTON TOWER HOTEL

Cadogan Place, Knightsbridge,

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Inventory includes old, antique and contemporary Persian and eastern hand knotted pile and flat weave rugs in wool and silk of outstanding merit and quality.

M Shokri & Associates Ltd.

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Jack O'Sullivan

Festive sales surge lifts gloom from the high street

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Fears that higher interest rates would lead to a poor Christmas for retailers have been allayed by a crop of upbeat trading statements from stores groups. Most show that while December started slowly, shops were rescued by a late surge in consumer spending in the final days before Christmas. Nigel Cope and Andrew Yates report on yet another year when shoppers left it late.

The high street was given a boost by buoyant trading statements yesterday by a wide range of retailers including Signet, the H Samuel and Ernest Jones jewellery retailer, JJB Sports and Majestic Wine Warehouses, the off-licence group. Following better than expected figures from John Lewis and Burton, analysts said the worries over Christmas' "bloodbath" had proved unfounded.

Richard Hyman of Verdict Research said: "Christmas did arrive late but this trend is well established. Lots of people took the last week before Christmas off work and did their shopping then. It won't be a bonanza Christmas but it will be solid."

However, he warned that 1997 would be seen as the high water mark for high street fortunes in the 1990s as higher interest rates took their toll. "The slowdown has begun and we think that it will continue throughout 1998." He said some retailers would have experienced a difficult Christmas with fashion groups said to have had the toughest time.

There was little caution in the air yesterday, however, as Signet led the way with an optimistic message that it would now exceed its profit expectations for the year.

The former Ratners jewellery group reported that in the nine weeks to January 3 like-for-like sales increased by 8.3 per cent in the same period last year. It said it now expected to "comfortably exceed" market expectations for its full year profits. Analysts have now upgraded their forecasts from around £60m to £65m and the shares rose 3.5p to 33.25p. The smaller, more upmarket

ket Ernest Jones chain led the way while sales at the more mass-market H Samuel chain rose by only 1.7 per cent in the period. Signet chairman Jim McAdam said sales of diamonds, silver, gift products and wristwatches had been strong.

"The build-up to Christmas was generally slower than predicted but there was a late surge. We held our nerve and didn't start discounting so we were able to maintain our margins."

JJB Sports, the fast-growing sports retailer, continued its good run with sales in the 6 weeks to 28 December ahead by 10 per cent. This excludes new openings. David Greenwood, financial director, said Adidas had proved the best performing brand of the year, edging ahead of Nike. He said JJB's sales had started strongly in early December but, in contrast to most other retailers, tailed off slightly in the last two weeks. Sales picked up again after Christmas.

Wine sales have also been buoyant over Christmas. According to Majestic Wines, the wine warehouse operator, the feel good factor has made champagne and red wines very popular over the festive period. Tim How, chief executive of Majestic, said: "Our red claret has been our best seller. I believe wines are continuing to sell well across the industry. The strong economy ... and the trend for men to switch from beer to wine explain the growth."

Majestic Wines said sales were up by one-fifth in the last eight weeks of the year, with like for like turnover up 10.9 per cent. The strong trading performance helped Majestic shares rise 20p to 421.5p yesterday.

However, the group denied reports that it had been subject to a £65m takeover offer. "It is a lot of rubbish. We have not had any offers or approaches. The idea of a bid for just £65m is insulting," Diane Coyle, Economics Editor, reports.

Two other retailers also reported upbeat sales messages yesterday. Merchant Retail Group, which operates perfume shops and department stores said its sales were ahead by 14 per cent on a like for like basis in the 13 weeks to 27 December. TJ Hughes, the discount department store operator said its sales were up by 18 per cent in the five weeks to 3 January.



The high street was given a boost by buoyant trading statements yesterday by a wide range of retailers as Christmas 'bloodbath' fears proved unfounded

Relief as Bank of England holds off interest rate rise

News yesterday of a general recovery on the high street coincided with the Bank of England's decision not to raise interest rates. The Bank's announcement sent the pound lower and brought relief all round - for the time being. Diane Coyle, Economics Editor, reports.

Retail spending in December was higher than many had feared, according to the Confederation of British Industry. Its latest survey reported a recovery in the growth of sales volumes, both before and after Christmas, following a slowdown in November.

Alastair Eperon, chairman of the survey panel for the CBI, said: "We will be monitoring January's figures closely to see

whether the slight upward momentum in consumer spending is sustainable."

The employers' organisation also welcomed the Bank of England's decision to leave interest rates unchanged at 7.25 per cent. Kate Barlow, chief economist, said: "Further interest rate rises risk having too great an impact when the economy is already expected to be sluggish."

The pound shed more than three pence yesterday, falling to just over DM2.93. The benchmark long gilt yield dropped to a record low below 6 per cent. Both moves were driven by hopes that the Bank's decision could mark an end to the series of rises in the cost of borrowing, as well as by the US financial markets.

The US Treasury bond market got a boost from figures showing a small fall in prices charged at the factory gate in November. Producer prices declined by 0.2 per cent to a level 0.6 lower than a year earlier.

er, mainly due to lower car and truck prices.

But City analysts remained divided about whether a sixth increase in UK interest rates since May 1 is either necessary or likely, especially after yesterday's survey and another earlier in the week showing the service industries still very buoyant.

Some think that the economy is not slowing fast enough to keep the Bank's Monetary Policy Committee happy.

"This is just a stay of execution," said Leo Doyle of Dresdner Kleinwort Benson, predicting a rate rise next month.

Official figures for December sales on the high street will be published later this month. Meanwhile, the Office for National Statistics issued figures yesterday painting the most comprehensive portrait of sales in the distributive and service industries during the third quarter of 1997. These showed car sales in the UK reaching a record £22.5bn. The total soared 20 per cent compared to the second quarter and was 10 per cent higher than a year earlier.

Drinks industry fears move to ban sport sponsorship

The £40m that drinks companies pour into British sports sponsorship every year is under threat from a controversial French plan to ban drinks advertising for international sporting events. However, as Andrew Yates reports, new European legislation could bring cheer to the British drinks industry.

A move by the French Government to enforce a ban on sports sponsorship from alcoholic drinks companies could put pressure on them to withdraw advertising from big sporting events.

There are growing fears that the European Commission (EC) has decided to ignore a complaint from the drinks industry over France's decision to ban domestic drinks advertising, a controversial policy known as Loi Evin. The EC has again delayed a final decision on whether to uphold the complaint after furious lobbying from French Eurocrats. "There is a feeling they want to sweep this under the carpet," said one source in Brussels.

The decision could have potentially devastating consequences for the UK sports industry. Drinks companies are involved in sponsoring every major sports including Carling Black Label's support for football's premier league and the new deal Tetley Bitter has recently signed to back the English cricket team. Major sporting events such as the Stella Artois tennis tournament and the Martell Grand National could also be affected. The sponsorship market in the UK is worth an estimated £350m a year. Drinks companies account for about 12 per cent of this, or more than £40m a year. US drinks company Budweiser has also run into

trouble coping with the strict ban on drinks advertising and the move has raised a question mark over sponsorship of this year's World Cup in France. If the EC chooses to ignore the issue and effectively back France's position, it could cause huge problems for the coverage of some of the UK's largest sporting events. French TV producers are putting enormous pressure on organisers to remove any form of drinks advertising from sporting arenas and are threatening to withdraw coverage from events if their demands are not met. The situation has got so bad that two big recent sporting events were banned completely. French viewers were faced with a blank screen when they tried to tune into a European football tie between Arsenal and Auxerre and an Irish rugby game from Dublin.

The sports industry is becoming increasingly worried that drinks companies could withdraw from sponsorship if French TV stations persist in banning events.

The move has caused an outcry from the British drinks companies. The European Sponsorship Consultants' Association (ESCA), an industry-wide body set up to lobby against the French policy, is outraged by the continuing wrangles in Brussels.

"We want this to be stopped and are trying to alert people to the danger. There is a fear that this could spread to other countries in Europe and make life very difficult for sponsors," said Heiko Day, a sponsorship expert with ESCA.

However, a green paper, which experts believe will be adopted by the EC later this year, is likely to bring hope to the drinks companies. It promotes the principle of free trade between countries and should give the drinks companies a powerful weapon in their battle with the French Government. They hope the paper will give them right to show drinks sponsored sports events throughout Europe.

BT moves to avert freephone logjams

British Telecom is to bring forward plans to spend £200m on improvements to its network, after some of its biggest customers complained that lines were swamped by calls this week.

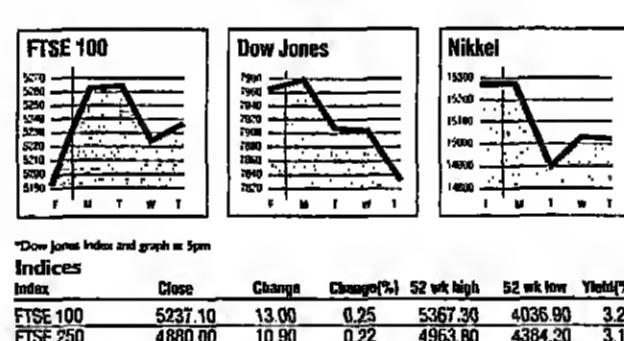
The disruption began on Monday morning, as BT customers jammed freephone or low-cost numbers used by businesses such as insurance companies. BT attributed what it claimed was the "unprecedented" fourfold increase in freephone calls connected with storm damage and the two-week Christmas break. More than 10 million calls were made to 0800, 0345 and 0990 numbers on the BT network, with demand for lines soaring tenfold during the busiest period on Monday morning.

It emerged yesterday that Bill Cockburn, BT's recently appointed group managing director, has written personally to apologise to major business customers affected, who complained that many callers were unable to get through. The letter invited companies to join in plans to design improvements to the network. Mr Cockburn insisted BT's services had a good track record. "The measures we are taking are aimed at ensuring that if ever such exceptional circumstances occur again, service will not be affected in the same way."

BT said it would spend £110m upgrading its network in the financial year starting in April.

- Chris Godsmar

STOCK MARKETS

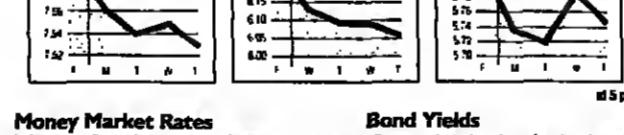


Dow Jones Index and graph in \$/p

Indices

Indices	Close	Change	Change(%)	52 wk high	52 wk low	Yield(%)
FTSE 100	5237.10	13.00	0.25	5367.30	4936.90	3.23
FTSE 250	4880.00	10.90	0.22	4953.80	4384.20	3.19
FTSE 350	2518.20	6.20	0.25	2670.50	2013.40	3.22
FTSE All Share	2457.54	6.08	0.25	2507.68	1996.91	3.21
FTSE SmallCap	3245.20	6.80	0.29	2807.40	2182.10	2.96
FTSE Floating	1273.90	2.10	0.17	1346.50	1225.20	3.26
FTSE AIM	991.10	-0.39	-0.03	1138.00	965.90	1.08
Dow Jones	7823.30	-75.23	-0.95	8299.03	6358.78	1.75
Nikkei	15016.18	-1.99	-0.06	2010.79	14488.21	1.02
Hanx Senvi	9251.53	-284.08	-2.98	16820.31	8775.88	4.58
Dax	4347.23	-41.31	-1.01	4458.89	2885.22	1.66

INTEREST RATES



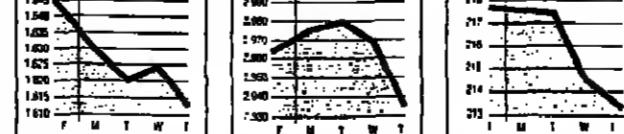
Money Market Rates

Index	3 month	1 yr chg	1 year	1 yr chg	10 year	1 yr chg	Long term	1 yr chg
UK	7.56	1.01	7.58	0.52	6.05	-1.58	6.01	-1.85
US	5.69	0.13	5.75	-0.14	5.48	-1.02	5.74	-1.10
Japan	0.77	0.27	0.74	0.16	1.88	-0.83	2.50	-0.82
Germany	3.61	0.48	3.92	0.67	5.13	-0.80	5.69	-1.12

MAIN PRICE CHANGES

Rises	Price (p)	Chg (p)	% Chg	Falls	Price (p)	Chg (p)	% Chg
Slimet Grp	33.25	3.50	11.76	Standard Charter	597.00	-32.50	-5.16
Glynned Ind	277.00	15.00	5.73	Premier Oil	51.00	-2.50	-4.67
Beazer Corp	174.00	6.50	5.14	Hardy Oil&Gas	273.5	-1.7	-4.54
Sunderfield	230.50	11.00	5.07	Eng China Clays	253	-11.5	-4.35

CURRENCIES



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Dollar

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at 9pm

Change

Yr Ago

Index

Chg

Yr Ago

Index

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Index



OUTLOOK
ON MAKING
INTEREST RATE
JUDGEMENTS AND
THE CONDITIONS
FOR AID IN
THE FAR EAST

It gave us a breather this month, but will the Monetary Policy Committee put interest rates up in February instead? Unlike all those analysts in the City who sound utterly certain about whether and when and how much further borrowing costs need to rise to keep inflation on course, the MPC displays a becoming modesty about its ability to see into the future.

We live in challenging times. Diverging patterns in different areas of the economy make it unusually hard to be confident about the rate of growth in the next year. On top of that there is a big crisis taking place in the world economy, the consequences of which are impossible to predict. In these circumstances even the best forecasts are almost bound to go awry.

And – as some of the country's most prominent economic forecasters spell out at an Economic and Social Research Council-sponsored conference in London yesterday – predicting future growth and inflation has to battle against frequent revisions to past data, ignorance about the true structure of the economy and pure hols from the blue in the shape of unforeseen events. Any claim to certainty is bogus.

So, even without having overheard the MPC's meeting this week, it is easy to sketch out the discussion. On the one hand, the strength of the pound has depressed manufacturing and is starting to squeeze recorded export growth. The contribution from trade to growth will decline sharply, especially against the background of the Asian crisis. This will keep global inflationary pressure weak. To purely do-

mestic monetary considerations, the Bank must also now add its responsibility to join other central banks in helping stabilise the world's financial markets.

On the other hand, spending in the shops and the two-thirds of consumer spending that occurs beyond the high street are displaying strong momentum. Pay settlements are creeping up, with January an important bargaining month. Employment continues to climb and people still have the pleasure of last year's windfalls swelling their bank accounts. The boom may be over, but spending is not about to nosedive.

Weighty evidence is probably required on one side of the balance or the other to justify action on interest rates – whether up or down – but it will always be a question of judgement in the end. For what it's worth, the Committee should for the time being continue to err on the side of hawkishness. The point of having an independent central bank – especially in a historically inflation-prone country like the UK – is to be better safe than sorry. At this stage the risk of an overly lax monetary policy still outweighs the risks of an overly cautious one.

Moreover, policy makers need to be far more concerned nowadays with the precise makeup of what inflationary pressures there are in the economy in making their interest rate decisions. Deflationary pressures in the world economy, and the strong pound, may be disguising a build up of inflationary pressure elsewhere – in wages for instance.

Severe wage inflation alongside falling prices for goods and services make a particularly dangerous combination with possibly serious consequences for long-term growth and employment. This is the bogeyman the monetary policy committee must most fear. Unfortunately it is not at all clear what the Bank's policy response ought to be should such a spectre make an appearance. This is unknown territory, even for central bankers with long experience of control over interest rates. For the newly independent Bank of England, devising the correct response is going to be of vital importance.

IMF must stick to its guns

The International Monetary Fund has six main purposes according to its last annual report. Purpose five is defined as "to give confidence to members by making the general resources of the Fund temporarily available to them under adequate safeguards, thus providing them with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity".

It is this last bit which seems to have become the main bone of contention with the IMF's record breaking package of support for the Tiger economies of the Far East. Just what is a measure destructive of national prosperity? To many in the Far East, the enforced closure of banks and

corporations, with its consequent loss of wealth and employment, looks like just that. And to what extent does the preservation of international prosperity justify putting up huge amounts of money from the developed world to prop up these semi-correct economic and political systems?

For members of the Indonesian Government, a measure destructive of national prosperity plainly means most of the conditions the IMF attaches to its support. Indonesia's "denial budget" of a few days back is probably the closest thing the IMF has yet experienced, in recent history anyway, to a smash and grab raid on its money. Indonesia has already drawn on some of IMF support. Now it is refusing to go through with most of the IMF's conditional economic reforms and threatening to default on its foreign debt to boot. Meanwhile, the Indonesian budget has made the various little hits of creative accounting used by the Europeans to squeeze into Maastricht's monetary corner look positively benign by comparison.

President Suharto is calling the IMF's bluff. We'll have the money but no strings please, he's saying. The IMF's response to this extraordinary piece of brinkmanship should be an obvious one – to withdraw support until this silly little tin pot dictator comes to his senses. If the IMF sticks to its six defined purposes, that is certainly what it should be doing. The world gives a little room for debate on this, but not much.

That is, if the IMF gives way on

Indonesia, it will have to loosen its conditions for all the others too. Thailand and Malaysia certainly won't be prepared to play ball. The big daddy of the region's stricken economies, South Korea, will also be looking for big concessions. Unfortunately, it is not at all clear that intransigence is actually what the response is going to be. The crisis in the Far East is beginning to move from the economic to the political and in doing so the IMF may be forced to become overtly what it perhaps always has been covertly – a tool of US foreign policy.

We seem fast to be approaching territory where IMF meets CIA. Investment bankers are taking over where the spooks left off, quite literally apparently, for Wall Street bankers are now more common visitors to the Whitehouse's Situation Room than US foreign policy advisers. Maps and satellite spy pictures have been replaced with flip charts, budgetary projections and capital flow diagrams.

As economic crisis degenerates into civil unrest, as it looks unnervingly likely to in Indonesia, the IMF's resolve and worthy purposes are going to be tested to their limits. Is it going to stick to its guns and use its money to drive through the economic reforms the region so desperately needs? Or is it going to chicken out and in the interests of short-term national and international prosperity, pay up regardless? This always looked like being an interesting year economically, the political and social implications of what's happening may be more far reaching still.

Indonesia plunges deeper into crisis as 'Alice approach' defies IMF terms

Indonesia was left reeling yesterday as the financial markets plunged sharply for the third day running while fears were growing about President Suharto's political future. Stephen Vines, in Hong Kong, says that analysts in the capital Jakarta can see no end to the crisis while the Government continues to defy the demands from the International Monetary Fund for tough action.

Yesterday the local currency spiralled into free fall, plunging at one point by 25 per cent before ending the day down 18 per cent. This contributed to a fall which has wiped around one-third off the rupiah's value in the space of just three days.

The stock market moved almost in tandem, with share prices dropping by 18 per cent in a low in yesterday's trading before recovering at the close with prices down by 11.5 per cent.

The country is awash with rumours about the situation. The army is on alert to crack down on signs of social unrest. Shoppers, fearful of inflation, have besieged stores using up their money before it loses any more of its value. Meanwhile, the government is showing few signs of having any idea of what to do about the economic meltdown. Following hard on the heels of Tuesday's budget, which was widely viewed as lacking in realism, the central bank yesterday dismissed the currency fall as no more than a temporary phenomenon.

This "Alice in Wonderland" approach, which includes an unwillingness to implement the terms of the International Monetary Fund (IMF) package agreed less than three months ago, could result in a drying up of the funds from the rescue package. The IMF is meeting in Washington although Korea, rather than Indonesia, is on the agenda.

When the Indonesian markets opened yesterday they were painfully aware of a warning from Lawrence Summers, the US Deputy Treasury Secretary, about the need for Indonesia to show its commitment to reforms agreed with the IMF. The next disbursement of the IMF bail-out, totalling \$3bn, is due to be delivered in mid-March. It is now questionable whether the IMF will be prepared to hand over the money.

This concern yesterday led Fitch IBCA, the credit agency, to downgrade Indonesia's long-term foreign currency, saying the tabling of unrealistic budget proposals "which publicly flout recently agreed targets with the IMF is a severe blow to confidence in Indonesia's willingness to maintain appropriate economic policies".

In addition, Fitch IBCA said the deteriorating economic situation raised political stresses within Indonesia, since the Suharto regime has drawn much of its legitimacy from economic success. Other factors included the fact that export earnings would be hit by record falls in oil prices, while the banking sector could be affected as the plunging currency put pressure on the country's corporate sector.

The ripple effects of the Indonesian crisis have so far had the greatest impact on neighbouring Singapore, which has close economic ties with Indonesia. Yesterday share prices in Singapore fell by 7 per cent, taking the *Straits Times* industrial index to its lowest point since 1991.

Elsewhere in the region, fears of Indonesian contagion were high, particularly in Hong Kong, which seems poised to raise interest rates at a bankers' meeting today. Fears of a rate rise sent the Hang Seng Index down by almost 3 per cent in a day of heavy and volatile trading.

As Hong Kong share prices tumbled, the uncertainty over the fate of Peregrine Investment Holdings was prolonged. Hong Kong based Peregrine, one of Asia's fastest growing finance conglomerates, admitted that Zurich Centre Investment's agreement to take a 24 per cent stake in Peregrine was being renegotiated. An announcement on the fate of the deal has been delayed until today. This increased speculation about the extent of Peregrine's problems and its ability to secure outside investors to sustain its business.

Elsewhere in the region the news was hardly brighter. Although in Korea both the stock market and the local currency showed timid signs of recovery on hopes that the nation's massive debts would be rolled over, providing a badly needed breathing space.

Even if the debts were rolled over in Korea and other countries, including Thailand, the Philippines and Indonesia, which are under IMF-imposed austerity programmes, this would not solve the underlying problems which brought their financial systems to their knees.

An economist from a European bank based in Hong Kong said: "There's no confidence out there. These people don't trust their own currencies and there's no reason for them to do so."

Casting around for ways of stabilising Asian currencies, many local analysts have urged their governments to look at the possibility of establishing currency boards, similar to that which operates in Hong Kong. Currency boards establish a fixed parity, usually with the US dollar and maintain that parity through squeezing liquidity out of the market at times of high activity and manipulating interest rates to support their currencies rather than defending them by buying back their own currencies in foreign exchange markets.

The priority, as seen by the decision makers at the IMF, is to ensure that banks are repaid. Governments have different priorities; in Asia they are caught between a rock and a hard place. Every exit route is marked with a variety of hard choices.

Last night Lee Kyung-Shik, governor of the Bank of Korea, called for a rollover of the country's short-term debt, with repayment delayed. Speaking after meetings with representatives of the Bank of England and Bank of France, he said South Korea has asked for a "delay, not a conversion" of its debt. Some creditors have been seeking conversion of the debt to bonds.

Outlook, this page

How Asia's economic meltdown affects UK projects



Big schemes threatened but holidays are cheaper

Trade officials yesterday warned UK companies that more high-profile transport and infrastructure projects in the Pacific Rim could be in jeopardy as the currency crisis gripping the region continued to deepen.

However, holidaymakers and shoppers can look forward to a bonanza thanks to the devaluation in the Tiger economies. Michael Harrison and Andrew Yates report on the winners and losers from the Asian economic meltdown.

A number of prestige projects have already been postponed in the area. Indonesia has scrapped 80 projects including a new airport on the holiday island of Lombok. Malaysia has deferred the Bakun dam, and the Hopewell Mass Rapid Transport rail system in Bangkok has been put on ice along with a new international airport.

The Department of Trade and Industry is now advising UK contractors and exporters to approach the region with a great deal more caution. A promotional video launched by the previous President of the Board of Trade, Ian Lang, trumpeting the Tiger economies as the "Lands of Opportunity" is being remade with a much more sober voice-over.

"We remain confident of the region in the medium term but the crystal ball is certainly looking a lot murkier in the short term," said one senior UK trade official. "There is no sign at the moment of default to any significant extent but we can't be sure of what is in the pipeline as people are only just beginning to realise the seriousness of it. You cannot rule out contracts being renegotiated or projects curtailed as the crisis deepens."

Despite retrenching on many of their overseas investments, the South Koreans are pressing ahead with major domestic projects like the £2.8bn Incheon airport and the Seoul-Pusan high speed rail link on which GEC-Alsthom is a contractor.

British Aerospace, which has a controversial £160m order to supply Indonesia with 16 Hawk trainer aircraft, said

deliveries had not yet started but work was beginning on the order and there were no indications of any problems.

The Association of Consulting Engineers said that the Asia Pacific region was by far the biggest growth area with the total value of contracts rising by 52 per cent to £52bn in 1996. The consulting engineer Ove Arup, one of the biggest firms operating in the area, said there was less work in the pipeline now. "The level of private work, like factories and offices is faltering but infrastructure projects that are publicly funded are going ahead," said Olivia Wheatoo of Ove Arup's business development department.

There are no such worries for holidaymakers, who are jetting off to the region in their droves to take advantage of increased spending power. All the major tour operators are seeing a rise in the number of customers wanting to take an exotic trip to Thailand or bask on the beach in Bali. "We are very pleased with Far East bookings at the moment. We have seen a big increase in the number of passengers booking for the Far East in the last few

months," said a spokeswoman from First Choice, one of the country's largest tour operators. "Holidaymakers are waking up to the fact that they are going to get a deal once they get there."

A spokeswoman from Kuoni said: "The Far East has been better value than ever before." It is not just cheaper prices of local food and drinks which are attracting hundreds of holidaymakers. Tour operators have been able to secure cheaper hotels and flights, bringing down the price of many package deals. The currency turmoil could also prompt tour operators like Thomson to buy rivals in the Far East.

Meanwhile, shoppers could see prices of microwaves, CD players and white goods manufactured in the region tumble, according to economists and retail experts. "I think prices are almost bound to fall," said Martin Weale, director of the National Institute for Economic and Social Research. "In South Korea, the value of the currency has almost halved in the last year. How much this will filter through to the shops we don't know but it would be extraordinary if none of it did."

John G. Vines

THE INVESTMENT COLUMN

EDITED BY ANDREW YATES

No quick fix for housebuilders

What is wrong with housebuilders? Here's a sector that generated double-digit earnings growth last year, and is widely expected to repeat the trick in the coming year. Yet investors, who normally love a good growth story, continue to value the majority of the construction sector at a level normally reserved for the most bombed-out conglomerates. In the past 12 months, the sector has underperformed the rest of the stock market by almost a fifth.

A good example is Abbey, the tiny Anglo-Irish housebuilder, which yesterday reported that interim profits more than doubled to £107.56m. In the coming year it hopes to build 800 houses – double the number of sales it completed in 1997. Yet, despite a good run, this kind of growth stock languishes on a forward p/e ratio of no more than 10.

The reason, of course, is that nobody expects the growth to last. Investors badly burned their fingers on housebuilding stocks in the last recession, and, to a lesser extent, in 1995. The widely held belief is that the current boom will inevitably crumble as higher land prices squeeze margins at the same time as rising interest rates dampen demand. Evidence of a shortage of skilled brickies and a sharp increase in wage costs hasn't helped investors' confidence.

Paradoxically, then, a slowdown in the housing market could ease fears of an unsustainable boom and prove to be good news for housebuilding shares. Yesterday's statistics, which showed that housing starts in November were flat on the same month in 1996, support the view that as many houses will be built in the coming year as in 1997. Some even think starts may fall slightly. Land price and wage inflation, meanwhile, are not much of a worry outside a few hot spots in the South-east.

All this, combined with house price inflation in the coming year of about 5 per cent, amounts to a gentle slowdown. Of course, margins will shrink slightly as the particularly cheap land prices of a few years ago work their way through the system. This can hardly be called a bust. But housebuilding shares are discounting a much sharper fall in margins. These fears look overdone.

So housebuilding shares are cheap. While interest rates are on the rise,

Abbey: At a glance

Market value: £102.6m, share price 265p (+25p)

Five-year record	1993	1994	1995	1996	1997
Turnover (f1m)	38.8	47.4	50.4	45.0	61.8
Pre-tax profits (f1m)	2.65	8.14	8.37	6.22	9.10
Earnings per share (f1p)	4.06	14.52	15.08	11.17	15.76
Dividends per share (f1p)	2.0	5.0	5.3	5.5	6.8

Construction sector against the market	Share price pence
110	2.80
105	2.60
100	2.50
95	2.40
90	2.30
85	2.20
80	2.10
75	2.00
70	1.90
65	1.80

Source: Datamonitor

however, sentiment is unlikely to turn. And another round of consolidation is unlikely while depressed share prices rule out anything but a cash-funded bid. At some point, the housebuilding sector will come good. Just don't expect it to happen any time soon.

Hi-Tec Sports runs into form

For a company that seemed to be in continental crisis until a couple of years ago, Hi-Tec Sports appears to have finally got its act together. The sports shoe company, which famously lost its finance director after just eight hours in the job in 1995, has been in and out of the red since then. But under Paul Harrison, chief executive, it now looks on more solid foundations.

Sales are static but the real growth has come from margins which have risen from 30.7 per cent to 32.7 per cent. This growth has boosted profits by one-third to £1.2m in the six months to October.

Margins have been driven by a shift in trends away from "commodity" white trainers where the markets are dominated by Reebok, Nike and Adidas to so-called "brown" shoes. These are the suede or soft-leather shoes used for hiking and rambling and which command much higher margins. More efficient production methods have also helped.

Hi-Tec is doing well in the US, where it is a strong brand name in brown shoes. Profits have trebled to £1.5m on sales up by 11 per cent. The UK market was difficult in white trainers because Hi-Tec has to compete as a lower-priced alternative to Nike et al. Profits rose slightly, boosted again by the brown-shoe market.

The trouble spots for Hi-Tec have been continental Europe, where profits were ravaged by the strong pound and weak economies. And its rest-of-the-world division has also suffered, due in part to the financial turmoil in the Far East.

Looking ahead, Hi-Tec will have to start growing sales soon as the margin improvements cannot last forever. But there remains scope for growth, particularly in the US, where new management has been in place for only a year.

On Greig Middleton's full-year forecast of £4m the shares – up a penny to 47.5p yesterday – trade on a forward rating of just 8. Hi-Tec operates in such a cut-throat market that dangers always lie in wait but there could be some upside.

Hire is healthy for Goode Durrant

Van-hire specialist Goode Durrant is motoring along in the fast lane thanks to a buoyant economy and strong growth from acquisitions and new depot openings. After disposing of several peripheral businesses it has returned to profit and has achieved strong earnings growth over the last few years.

In the six months to October profit rose 14 per cent to £17.4m thanks to a rise in its fleet, which grew from 16,000 to 20,000 in the last eight months of 1997.

Half of that rise came from opening new depots at Milton Keynes and Cardiff and the rest from the acquisition of TDG, its smaller rival. The deal has slowed earnings growth in the first half and dampened margins but should bring longer-term benefits.

One worry is that acquisitions pushed interest charges up 70 per cent to £4.8m in the first half, but interest cover is still a healthy 4.6 times. Hire charges are holding steady and the cost of new vehicles has been edging down, which is good news for Goode Durrant. Ravenstock Tam, the equipment hire division, is also doing well, with profits up a fifth to £1.6m.

This is a competitive industry in which the Americans are becoming big players, but Goode Durrant's 9 per cent market share makes it one of the major operators. The growing trend for companies to outsource transport needs should help maintain demand even if the economy as a whole begins to slow this year.

Analysts are expecting full year profits to reach £30m, rising to £35.4m and 41.4p a share in 1998-99. The shares edged up 5p to 50p yesterday which rates them on an undemanding 13.6 times this year's earnings and just 12 times next year's earnings. This after a great run they still look attractive.

Granada stands firm on extra payouts to directors

Granada, the media and hotels group, insisted yesterday that it would stand firm against investor anger over its decision to pay £374,000 in compensation to directors for shortening their service contracts.

As the row intensified, one institution suggested that the wealthiest members of the board should give the money to charity. Nigel Cope, City Correspondent reports.

Granada said yesterday that it had not received a single complaint from investors about the payments, which were revealed in the group's annual report. "We pride ourselves on our investor relations and if any fund managers would like further details we would be delighted to meet them."

However, several investors do plan to register complaints over the payments, which they regard as unnecessary and "grubby" – the sort of thing associated with "scruffy com-

panies" rather than a blue chip name like Granada.

One senior fund manager, who asked not to be named, suggested that the senior directors such as the chairman, Gerry Robinson, should give their payments to charity. "I would have thought a suitable charity could be found to remove this stain on the company's character."

The company refused to comment on this possibility, saying it was a matter that should be discussed directly between the company and the institution.

The fund manager added: "We don't like this issue at all. It sends out all the wrong signals and we will take it up with the company to learn more. These guys are extremely well paid these days and receive all sorts of fringe benefits not available to mere mortals. And yet they are grubbing around for the last ha'penny. I would have thought Gerry Robinson would have risen above it but obviously not."

The payments were made in return for shortening the directors' notice periods in the event of takeover from three years to two. Each payment was the equivalent of two months' salary.

Allied Textiles shares surge on bid talks

Shares in Allied Textiles surged 33 per cent yesterday after the group disclosed it was in bid talks with an unnamed group that includes some of the company's directors.

The company, which makes yarn, fabrics and carpets through various subsidiaries, made the announcement as it said pre-tax profits for the year to end of September rose to £16.3m from £15.9m in the previous 12 months.

The possible bid follows a profit warning in November, when the company's announcement that it had discovered financial irregularities sent its share price tumbling

18 per cent, and comes as the strong pound continues to hamper exports.

Allied said its sales rose to £231.7m from £227m as earnings per share rose to 16.6p from 16.3p. "The company continues to trade well and we look forward to additional production capacity coming on stream during the current financial year. We are anticipating that the current year's outcome will be satisfactory."

Allied said last autumn that "serious accounting irregularities" worth about £2.8m would cut 1997 profit, prompting its shares to fall 18 per cent. But for those difficulties it would have exceeded market forecasts of £19m in pre-tax profit.

GEC to raise more than £100m from sales

GEC, the UK defence engineering group in the throes of a shake-up, will raise more than £100m through the sale of a number of business units from its industrial group, it said yesterday. The sales were part of a divestment programme flagged by managing director George Simpson in July 1997.

Agreements have been signed with buyers for distribution and trading operations in Australia, New Zealand and Ireland. The Australia and New Zealand distribution and trading units will be sold to Rexel SA, the world's largest electrical equipment distributor. The sale of the Ireland distribution and trading unit to Olive Holdings, a company under common control with Edmundson Electrical, is conditional upon the approval of the Irish Minister for Enterprise, Trade and Employment.

Babcock wins £30m refit

Defence engineering company Babcock International Group has been awarded a £30m contract from the Ministry of Defence to refit the type 42 destroyer HMS Southampton at Rosyth. The company said work would start on 12 January and would last until the spring of 1999.

BAe and Saab link up

British Aerospace and Saab yesterday unveiled a business partnership based around their bid to supply the South African government with Gripen fighter aircraft. The Gripen proposal is part of a larger defence package being negotiated by the UK Government in response to the South African defence ministry request for tenders to supply fighters, Corvette warships and battle tanks. It will be several months before South Africa makes a decision but the deals could benefit GEC, GKN and Vickers.

Power station deal

National Power yesterday confirmed that it had been granted exclusive negotiating rights to develop a £1.5bn coal-fired power station in Zimbabwe, the generator's first big investment in Africa. The group said it would invest up to £400m in the project, which includes the mining giant RITZ, giving it a controlling stake of between 60 per cent and 80 per cent. The Zimbabwe Electricity Supply Authority would own a further 20 per cent of the venture.

Lucas buys in Brazil

LucasVarity, industrial component maker, confirmed yesterday it had paid £70m in cash for all the shares in Brazilian brake maker Freios Varga it did not already own. LucasVarity already held 34 per cent of Freios Varga and had been in talks with the firm since October to raise its stake. Freios Varga is South America's largest brakes manufacturer, with sales for the nine months to September 1997 of £149m.

Rolls-Royce sales climb

Sales of Rolls-Royce and Bentley cars climbed 10 per cent in 1997, the fourth year in a row it has achieved growth, parent company Vickers said today. The figures came as a bid for Rolls-Royce Cars by a group of enthusiasts who want to prevent the luxury brands falling into the hands of BMW was expected to be announced. Vickers said a total of 1,918 Rolls-Royces and Bentleys were sold, compared with 1,744 in 1996. The strongest demand came from the UK, with turnover jumping 38 per cent.

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BG hits new peak amid hopes of further cash handouts

MARKET REPORT



DEREK PAIN

BG stepped on the gas as stories of further cash handouts and takeover action swirled around the stock market. The shares climbed 13.75p to 305p, a new peak.

Trading was heavy with the order-driven system accounting for around one third of the near 19 million turnover.

The former British Gas astonished many observers when it geared up to return £1.3bn to its investors through the "B" share route last year.

The subsequent disposal programme is running ahead of estimates. It is now expected to realise comfortably more than £1bn, perhaps even £1.5bn, from asset sales by the middle of the year compared with earlier expectations of a few hundred million pounds.

The BG sales bandwagon has alerted the market to the possibility that the group will find itself with so much surplus cash it will feel obliged to return

value to shareholders although there is a sneaking feeling it will adopt the share buy-back course.

The group, now largely an oil and gas explorer and producer, saw analysts from Deutsche Morgan Grenfell who reiterated their buy recommendation. Other analysts are keen on the stock.

Last year BG was one of the best performing blue chips.

At one time the shares bumped along at around 150p.

There is persistent speculation that its growing oil and gas interests are making it increasingly attractive to the oil goliaths. The current name in the frame is Shell, little changed at 420.5p.

Centrica, the gas operation split from BG in February, was also in form, gaining 2.75p to 93.75p, reflecting the resolution of the last of its North Sea take and pay deals.

For much of the session the

market was in ebullient form: trading was busy with turnover easily exceeding 1 billion shares.

Worries about the Far East, particularly Indonesia, arose as New York put on a shaky performance during London hours. Besides the tiger economies American investors displayed their usual sensitivity over the highly volatile payroll figures.

Up to today BG was one of the best performing blue chips.

At one time the shares bumped along at around 150p.

Unchanged domestic interest rates came as no surprise. The 72.3 points gain was largely in anticipation of a standstill. At the close the index was clinging rather uncertainly to a 13 gain at 5,237.1. Supporting shares were firm.

Retailers were more positive as trading reports suggested the festive shopping spree was rather better than earlier indications. Even so there remains a nagging worry that one or two nasties lurk.

Upbeat comments from

jeweller Signet created a 3.5p sparkle to 33.25p. Majestic Wine, with takeover gossip mingling with trading progress, bubbled 20p higher to 421.5p. Two yet to report, Next and Dixons, attracted buyers. Next gained 20p to 72.5p; Dixons 10p to 587p.

British Aerospace, planning to cut its 21 per cent stake in the Orange mobile telephone group, rose 24p to 1,790p. A

BZW warning that profit downgrades could be on the way lowered British Airways 18p to 585p. Nikko, however, remains bullish, suggesting the shares are worth buying.

Securicor collected another buy circular, this time from ABN Amro Hoare Govett. The shares climbed 11.5p to 325p with Houze suggesting a 400p target. Nat West Securities and SBC Warburg helped BT 11p higher to 500p.

British Petroleum's recovery continued with a 12p gain to 790p. Morgan Stanley reckons the shares should go to 875p.

Somerfield had another run. The supermarket chain, which struggled to get its flotation away in 1996, rose 11p to a 230.5p target. Shortly after its share sale the price fell to 147.5p.

Food retailers have been romping ahead, prompting comments that they are becoming dangerously overvalued. Much of Somerfield's

display is due to a simple catching-up process but in the present fevered atmosphere in the industry there is, inevitably, the suggestion that it could be a bid target.

One idea is Asda could switch its ambitions to Somerfield if it has to abandon its pursuit of Safeway, up 7.5p to 353p. Asda slipped 3.75p to 182p.

Sodis caused a little excitement among the biotechs with the Swedish launch of its weight loss product. The shares hardened 22.5p to 325p. ML Laboratories, in the biotech sickbay, gained 9p to 99p. The shares once touched 468.75p.

Allied Textiles, the latest second-liner to provoke bid action, jumped 41.5p to 165.5p. A management buy-out seems the likely outcome.

Fairway, the printing and stationery group, shaded to 67.5p after the signalled bidder moved in with a £2.8m strike.

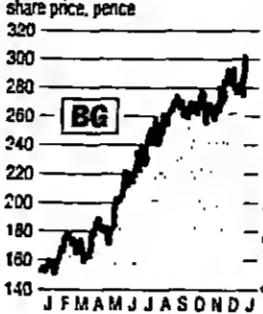
TAKING STOCK

Disposal rumours lifted Sketchley. The shares rose 6p to 46p with 7 million of them traded. The group has said it intends to sell its SupaSoape and Sketchley dry cleaning chains in concentrate on business services. A spokesman refused to say whether talks are under way.

South Country Homes, a residential property minnow, jumped 13.5p to 48.5p. One story is that Soddy Anderson, the former Portobello leasing group chief, has built a 27 per cent stake. Whether Richard Grogan still has 28 per cent is unclear.

Stephco Deo, chairman of Dean Corporation, is thought to have lifted his interest in the building services and maintenance group to 36.44 per cent, buying 680,000 shares at 10p; market price is 12p.

Share spotlight



Source: Bloomberg

12 week High Low Stock Price Chg Yld P/E Code

Alcoholic Beverages 329 275 Fender Gp 97.50 -0.20 14 2.2 622

346 402 Allied Dairies 500.00 +0.00 14 1.7 800

348 403 Balfour Beatty 79.50 -0.20 14 2.2 623

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Lindsay stirs controversy again by finding himself new position of influence

Maurice Lindsay, who had lost his credibility as the chief executive of the Rugby Football League, has fallen on his feet again, apparently finding another top job, as Dove Hodfield reports.

Maurice Lindsay has again proved himself the game's

great survivor by being pushed out of one top job in the sport only to be poised to leap sideways into another.

Lindsay, chief executive of the Rugby Football League for the last five years, was asked for his resignation by the RFL's chairman, Sir Rodney Walker, at a meeting of the code's board of directors this week.

That seemed to mark the demise of a man who has dominated the administration of the

game since he masterminded the rise of Wigan in the 1980s. But within hours, Lindsay was lined up with a new job as managing director of Super League (Europe) - the elite competition he was instrumental in launching when the game in Britain accepted an £87m television deal with Rupert Murdoch in 1995 - subject to the approval of Super League clubs at a meeting next Friday.

Lindsay weathered the con-

troversy over the Super League revolution, but after an unhappy 1997 - which included an investigation into accusations over his expenses which produced no evidence, alleged mismanagement of development funds and a near miss in his bid to become chairman of the Tote - he was told at Wednesday's meeting that he no longer commanded the confidence of clubs nor of his staff at league headquarters.

There could also be legitimate concern over whether he is the best person to negotiate with a newly reunited game in Australia.

"I can confirm that a discussion took place which involved the board," said Sir Rodney, who last year headed a working party on the running of the game, which heard criticism of Lindsay from all quarters. "Subsequently, there was a meeting between Chris Cais-

ley, the chairman of Super League (Europe), and Mr Lindsay, which resulted in him standing down as chief executive of the RFL."

Those who were determined to get rid of Lindsay are angry now that he has apparently found a bolt hole, in the shape of what could yet prove to be an equally influential job. It was in the light of those misgivings that a statement announcing his move to Super League as a fait

accompli was withdrawn soon after being issued yesterday.

That new job now brings on board effectively alongside Super League's chief executive, Colin Myler, based in London.

However it all resolves itself, it is an appropriately messy ending to his five turbulent years at the helm of the game as a whole. He will be replaced, at least in the short term, by his articulate and

well-respected No.2, Neil Tunnicliffe, but the League may well look outside the game for a successor.

From within the game, David Howes and Gary Hetherington, chief executives at St Helens and Leeds respectively, could emerge as candidates, while Brian Smith, the former coach and chief executive at Bradford who is now coaching in Australia, would be a strong overseas contender.

Lindsay joined Tim
Hetherington, chief
executive of the
Rugby Football
League, at the
quarter-final
of the
Australian Open
in Sydney, Australia.
He was part of the
team that won the
final against the
Australian team.

MOTOR RACING

Anti-smoking lobby sees red over Williams

Williams' new car design may only be a day old, but anti-smoking groups have already urged the Australian government to ban the Formula One team from advertising Winfield cigarettes on its cars in this year's Australian Grand Prix.

The car's new red livery features the Winfield brand logo and a picture of a kangaroo and obiectors say the deal breaches the spirit of Australia's anti-tobacco sponsorship law.

All forms of tobacco advertising are banned, but the law allows exemptions if a major international sporting event such as the grand prix would otherwise be lost.

Dr Arthur Chesterfield-Evans, president of the Non-Smokers' Movement of Australia, said the exemption is intended to allow international events to be unimpeded by local law. "But this sponsorship is against the spirit of the agreement because it is supposed to be for international brands and I believe the government could act to say this is not on," he said.

Chesterfield-Evans also called on the government to tell Williams to drop the Winfield colours for the grand prix.

However, a spokesman for Rothmans, who own the brand, said the deal with Williams was an international one and therefore within the law. "There's an assumption that Winfield is only sold in Australia, that's not the case. It's sold in 13 countries on three continents."

The row over tobacco advertising shows no sign of abating in Britain, either. Lord Heseltine, president of the British Racing Drivers' Club, the owners of Silverstone, said yesterday:

"The implications for British motorsport are very bad indeed," he said on the decision to ban tobacco sponsorship in sport. "It's a demoted policy. It's bad, cheap, single issue politics and it will cost us jobs."

Motorsport has been given a temporary stay of execution from the ban, which will affect other sports soon after the millennium, but it has been ordered to investigate alternative forms of revenue.

"The effects will be long term. Races will move from Europe to the Far East and it won't take long for people to realise it's cheaper to relocate to where the races are held," he added.

"Fifty thousand jobs are at stake here. However, I get the feeling that people will only discover what they have lost when it's gone."



Photograph: Empics

Rejuvenated Evans back in the running for Welsh captaincy

Ieuan Evans, Wales' record-breaking captain, could emerge as a surprise contender to reclaim the job for this season's Five Nations' Championship.

Kevin Bowring, the Wales coach, must appoint a new leader following the career-ending spinal injury suffered by the flanker Gwyn Jones last month and he admits there are several candidates.

Evans, 34 in March, was today recalled to the national squad after an 11-month absence caused through Jones' commitments and injuries which saw him miss seven Tests.

Bowring praised the Bath wing with 71 caps as "a talisman and model professional," and says he will give the captaincy careful consideration before

Wales' Five Nations warm-up fixture against Italy at Stradey Park, Llanelli on 7 February.

Evans has led Wales a record 28 times, and clearly figures in Bowring's thinking alongside Robert Howley, Scott Gibbs, Gareth Llewellyn and Neil Jenkins.

"There are a number of candidates," said Bowring, who announced a 53-man squad featuring Evans' Lions colleague Scott Quinnell, another notable absentee during the autumn international programme that featured matches against Romania, Tonga and New Zealand. "But it is not a decision we would make quickly."

Evans has taken time to establish himself at Bath since his summer move from Llanelli, yet Bowring believes he is produc-

ing world-class form once again.

"His enthusiasm to play for Wales remains as strong as ever, and he's back in the squad to help us try and succeed in this season's Five Nations."

Bowring has kept in close touch with the family of his former captain Jones and the University of Wales Hospital, Cardiff, where the popular medical student is slowly recovering.

"Gwyn is showing encouraging signs of progress," Bowring said. "He has movement in all four limbs, and can stand unaided for a few seconds. He's as motivated and committed to overcome this injury, but knows it will be a slow, hard slog."

The top four Welsh clubs, Cardiff, Pontypridd, Swansea and Llanelli, provide 37 players.

- Andrew Baldock

EQUESTRIANISM

Philco dies at age of 32

David Broome's former mount Philco was put down on Tuesday at the venerable age of 32 after occupying the same stable in the rider's yard near Chepstow for 26 years.

The grey gelding, owned by Lord and Lady Harris, was originally bought from Florida where he had been ridden by Rodney Jenkins. The price was not disclosed, but this American thoroughbred was then rumoured to be the most expensive young show jumper ever to have left the States.

Philco's greatest contribution to British show jumping came in 1978 when Broome rode him to win a team gold medal at the 1978 World Championships in Aachen. Broome had the best British score in the three rounds which decided the team title to share a famous victory with his three team-mates, the late Caroline Bradley, Malcolm Pyrah and Derek Ricketts.

The previous year, Philco had won the King George V

Gold Cup, giving Broome the fourth of his six victories in this annual classic. He was also on the silver medal team in the 1977 European Championships.

Philco was given early retirement in 1983 because of heart problems. Since then, "The Arrogant Yank" (as Broome affectionately called his snooty grey partner) has led a cosseted life in Wales where he was turned out in the fields each day.

- Genevieve Murphy

TODAY'S NUMBER
103bn
The operating costs in yen (£490m) of the Winter Olympics in Nagano - up from the original estimate of £76bn.

Newcastle's bottle is food and drink to seasoned Tait

The conservative wing of the Rugby Football Union may find it difficult to stomach, but Sir John Hall's Newcastle are ahead of the Allied Dunbar Premiership pack and growing stronger by the day. Are the Geordies here to stay? Our Rugby Correspondent gets the lowdown on the high life from a key foot-soldier in rugby's Toon Army.

There is more than a touch of the "nobody likes us and we don't care" about Newcastle as they continue to buck the system and home in on Premiership honours in their first attempt. They boast an owner who has ruffled more establishment feathers than a fox in a chicken coop, a director of rugby whose squeaky clean image has slipped to reveal a competitive streak of purest granite, a captain who reacts to every yellow card with increased vigour and an uncompromising professional attitude that leaves the "play up and play the game" brigade spluttering into their G and Ts.

In fact, they could be a mirror image of the Wimbledon of Sam Hammam and Vicky Jones, except for one important distinction. They have class. Oodles of it. Class in the tight five, class in the back row, class at half-back, class out wide. They may not be the youngest side in the Premiership, but the preponderance of thirtysomethings has given them a "now or never" edge that is proving extremely difficult to resist.

Two of those elder statesmen, Rob Andrew and Dean Ryan, are combining demanding roles with a dexterity that speaks volumes for their professionalism and powers of self-motivation. As director of rugby and outside-half, Andrew has become every hit as adept at winning the games played in the boardroom as those played outside on the Kingston Park pitch. As coach and captain, Ryan has persuaded a hard core of more experienced internationals to follow him out of the trenches and into the line of fire. In short, the renegade Wasps have matched Sir John Hall's ruthlessness in kind.

GOLF

Artists, airheads and new arrivals prepare for life on tour

Earning a card to play on the European Tour is a dream come true. The recruits cannot wait for the season to start, but as Andy Farrell, in San Roque, Spain, discovers, not all of them are experiencing the magic for the first time.

Apollo was always an appropriate sponsor for the European Tour's Training School, an event bringing together graduates from the Challenge Tour and the Qualifying School prior to what is meant to be the lift-off of their golfing careers.

Although MacGregor have now taken the backing for the week at San Roque, where the European and American teams stayed for last September's Ryder Cup, the idea remains the same. Coaches,

psychologists, physiologists and nutritionists are all here to offer their expertise to 21 new recruits from seven countries to the European circuit.

Each player has realised a common goal in earning his tour card. Many are wet behind the ears. "I'm looking forward to putting on good greens," one said. "Don't bank on it," came the cynical reply. None are more grateful, however, than those who have loved and lost their cards in the past.

John Hawksworth appeared in the same Walker Cup team in 1985 as Colin Montgomerie, Peter Baker and David Gilford. In his two head-to-head meetings with Montgomerie, Hawksworth won each time. Last Sunday night, while Montgomerie was picking up \$1m in Arizona, the 36-year-old Midlander was "picking up a cup of tea while watching him on the TV".

"Colin was not the main man," Hawksworth said of their

amateur days. "His attitude has changed drastically."

Hawksworth's has had to change, too. Last November's Qualifying School was his 10th attempt to gain a card and only the second time he has been successful. Having first arrived on tour in 1990, he lost his card three years later. Last season was a nightmare". He made only £546.98 from 10 Challenge Tour events, and was then reduced to playing the odd regional PGA event and money matches, some for sums in excess of four figures.

"I had a sticky time when I was married," he said. "I wasn't happy. The worst I ever felt was when I failed to pre-qualify for the Open last summer. I didn't know if I could carry on."

Meeting Kamini Aga changed everything. "She is a dressage trainer, one of the top people in her field. She understands how tough it is to compete and how to prepare for

tournaments. She came to the Qualifying School and I could spend the time, when I was not playing, with her - rather than hitting hundreds of balls on the range for the rest of the day."

Johan Ryström's renaissance came from art. A friend of Jesper Parnevik, who helps design the Swedish Ryder Cup player's clothing, Ryström quit the tour after having three second places in 1992 and '93. "I was tired of golf and all the travelling," he said. The son of an architect, Ryström tried drawing, unsuccessfully. "I am no good at Pictorial."

Instead, he turned to producing collages for Parnevik's wedding. Ryström made one with two champagne glasses and four glass strawberries glued on to a mounting. He was going to add some corks from the champagne bottles at the wedding, but "Jesper is so weird there was only beer and cider".

His favourite features a baseball bat and glove from the

1940s. One day he was offered £50 for one of his efforts and more orders followed. He put the price up to £300, but people were not deterred. Now he has 18 orders outstanding.

"When I started, it was a relief to go into a darkened room and do something for yourself. It really helped me."

As for his work with the Lindburg clothing firm, his job is actually to rein in the wilder ideas of the designer. "If you don't hold him back, it would look seriously weird. He wanted Jesper to wear inch-high platform heels."

At the MacGregor Challenge, a one-round event at Valderrama, Ivo Giner with a 71.

Hawksworth won £300 for fourth place and Ryström shot 78. "I hit the ball well and putted great," the Swede said, "but my aiming was terrible."

David Lynn, whose hobby was once listed as clubbing, but not

of the golfing variety, had played the Ryder Cup venue before with the England amateur team.

"I told my playing partners on the 17th tee that it was an easy hole, and that the pitch to the green was easy," he admitted. Inevitably, he took a nine on the spectacular par five, finding the water with his three-wood second shot and then seeing his fourth, a wedge shot, spin off the green back into the pond.

The hole, controversially redesigned by Seve Ballesteros and the scene of so much drama in the Ryder Cup, is to be modified again by the owner of Valderrama, Jimmy Patino. Out go the mounds and the rough and in come some trees to narrow the driving area.

Patino will also move the tee forward so it plays as a 475-yard par four. "Everyone who plays Valderrama will remember the 17th hole," Ballesteros, the Ryder Cup captain, once said. "It was terrible."

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David Lynn, whose hobby was once listed as clubbing, but not

Not any more.

Spurs sign Berti but leave Hinchcliffe in limbo

It was another typical day in the topsy-turvy world of Tottenham Hotspur. Glenn Moore reports on a win some, lose some day spiced with drama and controversy.

Nicola Berti, the Italian midfielder, has joined Spurs on a free transfer from Internazionale, but Andy Hinchcliffe, the England left-back, failed to finalise his £5m move from Everton because of an ankle injury.

Meanwhile, in casualty, Andy Sinton, Ruel Fox and David Howells should be fit to

face Manchester United tomorrow, but David Ginola and Ian Walker are classed as "more than doubtful".

The facts do not reveal the drama behind them. First Berti. It transpires Jürgen Klinsmann, a friend and former team-mate, was intermediary after Berti called, to say that he, too, would rather try and save Spurs (and his World Cup chances) than sit on the bench in Serie A. Klinsmann told Christian Gross, the Spurs coach who, in the light of injuries to Darren Anderton, Alan Nielsen et al, decided Berti was worth signing.

But when he faced the media at 3pm in the press Portak-

abin at Tottenham's training ground, he had no news. Berti, who missed three months with a knee injury last year, was still having a medical that began at 10am. Then an official squeezed through the throng and passed Gross a note. He held it aloft like Neville Chamberlain and announced: "Berti has signed".

Smiles all round, but not at Everton. Spurs, according to Gross, did not sign Hinchcliffe because of an Achilles injury which was only revealed by his agent and brother-in-law when he arrived for the medical. "He wants to sign and I want to buy him," Gross said. "I have a good feeling for him as a play-

er and a person. We will try and do the deal when he is fit in a few weeks."

Not so, said Everton. Goodison Park insiders claimed another senior Spurs official said the problem was Hinchcliffe's old cruciate ligament injury and the delay was likely to be months rather than weeks. There is a suspicion on Merseyside that this is a ruse to bring the fee down and, as far as Everton are concerned, the deal is now off and other suitors are invited.

Marselles have thwarted Fahrizio Ravanelli's hopes of a return to Italy, in turn scuppering plans of a move for the Sheffield Wednesday duo

Benito Carbone and Patrick Blondéau.

Milan, looking for cover for injured Liberian international George Weah, were hoping to sign the former Middlesbrough striker, but Marselles, who signed Ravanelli for a French record £25m in the summer, have revealed they are not happy with Milan's proposed offer. Rolland Courbis, the Marselles coach, said: "Milan made an offer, but it was not precise enough for us, so Ravanelli is staying."

The impasse means that Marselles are now unlikely to chase Carbone and Blondéau, who have been unable to hold down regular places in the Owls' starting line-up since Ron Atkinson's return.

Tommy Johnson's proposed loan move from Celtic to Crystal Palace could break down on technicality. The striker has held talks with Steve Coppell, the Palace manager, and is ready to complete a temporary move.

The two clubs initially agreed a six-week loan period, but Coppell has been told Fifa rules prevent it. The world governing body stipulates a three-month minimum on cross-border loan deals and this has caused a potential problem as the additional period would leave Johnson at Selhurst Park beyond the late March transfer deadline.

One player who is going to Selhurst is Carl Leaburn, who has signed for Wimbledon. The Dons are paying £150,000 for the Charlton striker immediately and will add an extra £100,000 after 50 first-team appearances.

Birmingham have signed left-back Simon Charlton from Southampton for £200,000. The former Huddersfield defender has been on loan at St Andrew's for a month, but has now signed a two and a half year contract.

Burnley have signed striker Andy Payton in a £1m swap deal with Huddersfield. Payton is returning to the town he was born in with Paul Barnes going to Yorkshire in a straight swap.

The FA will rule today on Stevenage tie

The Football Association are to make a final ruling today on whether Stevenage Borough are to be allowed to host their FA Cup fourth-round tie against Newcastle after receiving an appeal from the Premiership club.

The FA gave the go-ahead for the match to take place at non-League Stevenage's Broadhall Way stadium following a meeting of safety experts earlier this week.

But Newcastle, yesterday complained that the ground, which will have its capacity increased from 6,600 to 8,000 for the televised match on 25 January with temporary seating, is not large enough and have fixed the FA with a detailed complaint.

The public row that has broken out between the clubs has marred the build-up to the game and Newcastle's fans have accused their side of going "completely over the top" with their objections.

John Regan, secretary of the Newcastle Independent Supporters' Association, said:

"The whole thing has turned

into a farce and all this bickering is taking the gloss off the tie for Stevenage. As far as the supporters are concerned, Stevenage were first out of the bat, it is their home tie, they have a safety certificate and that should be that."

In a local poll on Tyneside, 70 per cent of the club's fans backed the Vauxhall Conference side's right to host the tie.

Newcastle announced their intention to appeal against the FA's decision to allow Stevenage to host the match following a visit by their own safety officer to the Hertfordshire ground.

The Premiership club insisted that "a ground of this size" would be "totally unsuitable" bearing in mind the immense interest in the tie and the anticipated level of support from Newcastle fans for this match. Stevenage responded by accusing Newcastle of "Big Brother" tactics.

Meanwhile, Jonathan Brown, chairman of the safety advisory group which took the decision to allow the match to go ahead, maintained that everyone involved in the unanimous decision at Tuesday's meeting knew exactly what they were doing.

Brown said: "We are clearly satisfied that the ground is safe, providing that certain conditions are met. We looked at the issue in depth and it is obviously not something we take lightly. We can assure people that our prime consideration is safety, as is the club's."

Non-League notebook, page 25



Waving, not drowning: The Japanese synchronised swimming team on their way to second place at the World Championships Perth, Australia, yesterday

Photograph: Reuters

SWIMMING

Drug seizure at airport fuels suspicion of Chinese competitors

Customs officers found suspected growth hormones in a bag belonging to a member of the Chinese team arriving in Australia yesterday for the world championships. Ian Gordon reports from Perth.

A Chinese team member's similarity in appearance to a suspected narcotics trafficker yesterday led customs officers at Sydney airport to search baggage in which substances were found that appeared to be growth hormones.

The officials said the suspected growth hormones, banned by the sport's governing body, FINA, were discovered when 29 members of the Chinese team stopped en route to Perth. The hormones were in 13 vials packed in ice in a thermos flask in a bag belonging to an unidentified female team member.

A spokesman for the Australian Customs Service said the vials had not been declared and were clearly labelled in English as "human somatotropin", a growth hormone which can be used as a substitute for muscle-building anabolic steroids. "A team coach has said he packed the bag," the spokesman said. The team were released after some members were questioned, and continued their journey.

News of the discovery sparked cries of "told you so"

from those in the sport who had been suspicious of Chinese swimmers' great advances in the sport.

Britain's Performance Director, Deryck Snelling, said: "It does suggest that the suspicions raised by the performances of the Chinese recently had some grounds."

He warned that if they compete, any Chinese victory or

world record would be sneered at. "People are saying that if a Chinese swimmer wins they should be stabbed and everyone should turn their backs when the medal is awarded," he said, suggesting "everyone is going to be accusing them of taking drugs."

The Chinese team leader, Shi Tianshu, declared his athletes "clean" when he arrived here

this week. He also cautioned the Australian team's head coach, Don Talbot, to "get the facts right" before pointing the finger at China following Talbot's publicly expressed doubts about the Chinese team.

Shi said FINA had carried out more than 100 out-of-competition tests on Chinese swimmers in the past two months and none

had proved positive. Chinese officials have also conducted more than 650 tests in the past year.

Seven members of the Chinese team tested positive for steroids before the 1994 Asian Games in Japan, two months after they won 12 of the 16 events at the World Championships in Rome. They swam record times during the Chinese national

games in October, raising suspicions among international competitors.

Other members of the Chinese swimming team were training in Perth when news of the seizure came through and appeared incredulous.

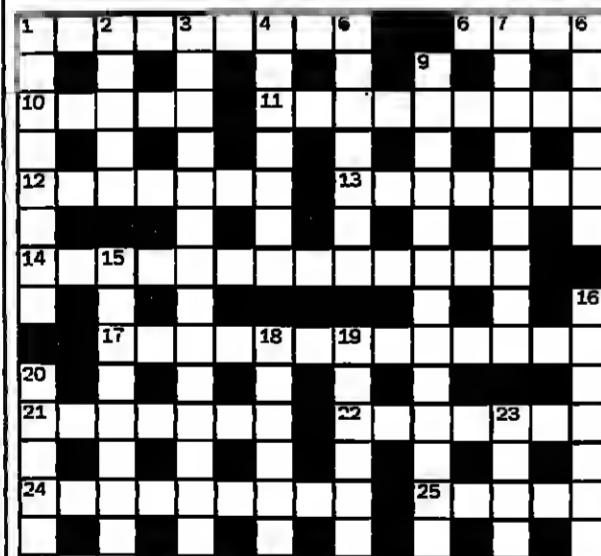
The contents of the vials are yet to be analysed to establish their actual composition and the

result is not expected to be known until today. Although banned by FINA, there is no test to detect the hormones, but customs officials say it is unlikely any team members would be prosecuted even if testing proved the substance to be growth hormones because of the small amount found.

Long-distance man, page 23

THE INDEPENDENT CROSSWORD

No. 3593. Friday 9 January By Spurts



- ACROSS
- Plant established by park-keeper, we're told? (9)
 - Temporary accommodation could be affected (4)
 - Metallic sound from large article coastguard's taken aboard (5)
 - A nutt furius with Editor, not having been stood a drink? (9)
 - Date for bridge convention (4-3)
 - Boat propeller usually in-board (7)
 - Changes evident in work of classical poet (13)
 - Fletcher? (9,4)
 - Glass broken by locomen (7)
 - Very anxious father opposed to opening of crypt (7)
 - Relative residing in Germany is more grim (7)
 - Encouraging offer made by charming vet in Nice (9)
 - Irish leaders King Edward annoyed (5)
 - Derby student's got into unmanned railway station (4)
 - Definition you'd find in three parts, notwithstanding? (19)
 - Sort of matchbox mostly used around cast for burnt offering (8)
 - Managed to get into Denmark, and had a Carlberg? (5)
 - Unusually calm reasoning associated with a group of non-Hispanic statesmen (5-9)
 - Relative residing in Germany is more grim (7)
 - Early centre of Christianity you'd see going out to China? (7)
 - Painting Maisie's about to exhibit - Sagebrush (9)
 - Judo expert in fit of pique? Very nice person (6)
 - Figure required if taxation's to be raised? (14)
 - Modification to chance, it's strictly required by the regulations? (9)
 - In which to keep gunpowder dry? (3-5)
 - Type that is seen wearing bifocals, for instance (7)
 - One northern area where men are sometimes silly (7)
 - Teasingly mischievous independent politician is lust to laugh (6)
 - Watch reportedly found in oriental dish (5)

Thursday's solution

RUGBY UNION

English clubs under attack over European boycott

The Celtic nations rounded on England's leading clubs in unison yesterday, accusing them of committing all seven deadly sins at once by announcing their boycott of next season's Heineken Cup and European Conference competitions.

But, as Chris Hewett

reports, there were clear signs that the red rose recalcitrants would be brought back to the negotiating table.

If nothing else, the decision of the English clubs to tell the organisers of the European Cup to go hang themselves seems certain to add some spice to this season's Five Nations' Championship. The Scots and Welsh left their powerful neighbours in no doubt what they thought of them yesterday: greedy, self-serving, arrogant and shortsighted. At times, it sounded like an over-byped shouting match between a pair of Don King boxers.

Terry Cohn, one of the more uncompromising international flankers of his day, was almost apoplectic at the English boycott of next season's Heineken Cup and European Conference tournaments. "They are attempting to put in place a structure that best suits them,

which is no great surprise because hidden agendas have been flying around all over the place in recent weeks," the Welsh Rugby Union's director of rugby said. Meanwhile, Ian Rankin, coach of the Scottish district champions, Caledonia Reds, said: "This has money and personal gain stamped all over it."

None of which will have worried the big-huck owners of England's Premiership clubs one little bit. The decision they took in London on Wednesday night was designed to force the board of European Rugby Cup Ltd to tear up their fixture list, scrap the six-week block-booking for Heineken and Conference pool matches and switch to a more piecemeal format, possibly based on football-style programme of midweek Euro matches. There were strong hints yesterday that an early agreement would be reached.

"There will be a meeting of the ERC board in Dublin on 23 January and I am hopeful we can discuss the problems again and find a solution," Alan Meredith, one of the Welsh delegates, said last night.

He was speaking in the knowledge that the English clubs held two trump cards: the reluctance of Heineken and BSkyB to pump money into a discredited and, ultimately, meaningless competition and the voices of support flooding across the Channel. Heineken are in the final year of their initial three-year sponsorship deal and while ex-

tension talks began some time ago, an English withdrawal would almost certainly send the negotiations hurtling towards a brick wall. "We're disappointed that the Heineken Cup is once again being used as a political football, a bargaining chip," a spokesman for the brewing giant said. "If we can arbitrate in any way, we will. This is very serious news."

The French were virtually united in their support of the English initiative. "The English clubs' arguments are reasonable," said Jean-Jacques Madrias, the president of Brive, the reigning champions who defend their title against Bath in Bordeaux in three weeks' time.

"In order that this competition remains a proper event, it must involve English and French clubs. Without English clubs, there is no point in having a European Cup."

Séraphin Berthier, who presides over the French elite rugby association CNRE, also sympathised. While Pierre Labordette, president of Pau, this season's beaten semi-finalists, said: "Basically, the English are right. They want a well-structured championship, as do we in France." However, he detected an element of brinkmanship in the boyoett. "It's no more than a threat. It would surprise me very much if the English clubs withdrew. Among reasonable people, one always manages to find a solution."

Heineken are in the final year of their initial three-year sponsorship deal and while ex-

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